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County of Contra Costa, California

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2008

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Stephen J. Ybarra
Auditor-Controller

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County of Contra Costa, California

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2008

Stephen J. Ybarra, Auditor-Controller

COUNTY OF CONTRA COSTA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

Introductory Section

Contra Costa County

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Auditor-Controller

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December 23, 2008

Members of the Board of Supervisors and Citizens of Contra Costa County:

The Comprehensive Annual Financial Report (CAFR) of the County of Contra Costa (county) for fiscal year 2007-2008 is presented in compliance with California Government Code Sections 25250 and 25253. The Office of the County Auditor-Controller is responsible for both the accuracy of the presented data and the completeness and fairness of its presentation, including all disclosures, prepared this report. We believe the data, as presented, is accurate in all material respects, presented in a manner designed to fairly set forth the financial position and changes in financial position of the county and its various funds, and includes all disclosures necessary to enable the reader to gain maximum understanding of the county's financial affairs.

Management of Contra Costa County is responsible for establishing and maintaining a comprehensive system of internal controls to ensure that the assets of the county are protected from loss, theft, or misuse, and that accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Internal controls are designed to provide reasonable, but not absolute, assurance that those objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgment by management.

For over 60 years, the policy of the county has been to require an annual audit of the financial statements of the county by independent, licensed certified public accountants. The Board of Supervisors selected the firm of Caporicci & Larson, Certified Public Accountants, to perform the fiscal year 2007-2008 audit.

The independent auditor concluded that the county's financial statements for the fiscal year ended June 30, 2008, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of the CAFR.

The CAFR represents the culmination of all budgeting and accounting activities engaged in by management during the year, covering all of its financial transactions. The accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A), which is

located after the independent auditor's report. The letter of transmittal is designed to compliment the MD&A and should be read in conjunction with it.

The CAFR is organized into three sections:

- *The Introductory Section* is intended to familiarize the reader with the organizational structure of the county, the nature and scope of the services it provides, and the specifics of its legal operating environment.

- *The Financial Section* includes the independent auditors' report on the basic financial statements, MD&A, audited basic financial statements, note disclosures and supporting statements, and schedules necessary to provide readers with a comprehensive understanding of the county's financial activities of the past fiscal year.

- *The Statistical Section* provides the reader with additional historic perspective, context, and detail to assist in using the information in the financial statements. It provides information in five categories: financial trends; revenue capacity; debt capacity; demographic and economic information; and operating indicators.

Profile of the Government

Contra Costa County was incorporated in 1850 as one of the original 27 counties of the state. It is one of nine counties in the San Francisco-Oakland Bay Area. The county covers about 733 square miles: the western and northern shorelines are highly industrialized, while the interior sections are suburban/residential, commercial, and light industrial.

The county has a general law form of government. A five member Board of Supervisors, each elected to four-year terms, serves as the legislative body. A County Administrative Officer is appointed by the Board and runs the day-to-day business.

The county provides the full-range of services contemplated by statute. These services include public protection, highways and streets, sanitation, health and social services, planning and zoning, and general administrative services.

The county reporting entity includes all the financial balances and activities of the primary government as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable or other organizations for which the nature and significance of the relationship with the primary government are such that exclusion would make the enclosed financial statements misleading or incomplete. For further information on component units, see Note 1.A in the "Notes to the Basic Financial Statements" in this report.

The reporting entity excludes certain separate legal entities that may have "Contra Costa" in their title, or that are required to keep their funds in the County Treasury, or receive their tax apportionment from the county. Examples are school districts, the community college district, cities, city redevelopment agencies, the Bay Area Rapid Transit District, the Metropolitan Transportation Commission, and a variety of special purpose districts for cemeteries, mosquito abatement, recreation and parks, etc. Those entities are autonomous organizations that handle their own fiscal affairs and for which the Board of Supervisors has no oversight responsibility.

Accordingly, they are not included in the accompanying basic financial statements, except for their assets, principally cash and investments, which are held by the County Treasurer.

The annual budget serves as the foundation of the county's financial planning and control. The Board of Supervisors is required to adopt a proposed budget before the start of the fiscal year. The budget is prepared by fund, function (e.g. public protection), department (e.g. Sheriff), and object level (e.g. salary and benefits). Department heads, with the approval of the County Administrator, may make transfers within the department; however, transfers between departments require the approval of the Board of Supervisors. For further information on the budget, see the "Note to Required Supplementary Information" in the Required Supplementary Information (other than MD&A) section of this report.

Local Economy

Long-term population and job growth projections remain positive. As of January 1, 2008, the county's population was estimated at 1,051,674. This represents an increase of approximately 4.4 percent compared to the county's population as of January 1, 2004. A study prepared by the Association of Bay Area Governments projects a 36.0 percent increase in population between 2000 and 2040.

Between July 2007 and June 2008 the county's jobless rate increased from 4.7 percent to 6.3 percent, which was significantly below the statewide averages of 5.4 percent and 7.0 percent, respectively (not seasonally adjusted). The county's economy is very diverse: major industries include petroleum refining, steel manufacturing, chemicals, electronic equipment, paper products, and utilities. The county consistently ranks as a leader in both per capita and household income.

The following charts present some pertinent five-year trends:

Population

#	2004	1,007,606
	2005	1,020,898
#	2006	1,030,732
	2007	1,042,341
	2008	1,051,674

Median Price of Existing Homes Sold

#	2004	September	$450,000
#	2005	September	557,000
#	2006	September	559,000
#	2007	September	561,000
	2008	September	300,000

Retail Sales (Thousands)

	2003	$12,223,295
	2004	12,990,538
	2005	13,480,075
#	2006	13,867,661
	2007	N/A

Retail Sales Per Capita

2003	$12,285
2004	12,893
2005	13,204
2006	13,598
2007	N/A

Revised
Source: California Department of Finance

Long-term Financial Planning

The County Administrator is committed to prudent fiscal management and engages in targeted long-term financial planning, when possible and appropriate.

Facilities Life-Cycle Investment Program and a Facilities Condition Assessment Action Plan

The Facilities Life-Cycle Investment Program and Facilities Condition Assessment Action Plan resulted in a comprehensive database that catalogs current deferred maintenance and future capital renewal costs for county buildings. The database describes and assesses the condition of building (roof, mechanical, electrical, plumbing, structural, etc.), facility deficiencies, recommends corrective action, estimates cost to correct deficiencies, and prioritizes the recommended corrective actions. The analysis included inspection of 93 facilities and a total of 2.9 million square feet of building space. A total of 251.2 million in deferred facilities maintenance was identified and organized into four categories based on level of priority. The distribution of costs by level of priority is as follows:

Priority 1 – Currently Critical	$ 2,059,913
Priority 2 – Potentially Critical	$ 25,881,877
Priority 3 – Necessary, but not Critical	$ 175,052,172
Priority 4 – Necessary, within 6 – 10 years	$ 48,180,568

This information will allow staff to perform the following:

- Establish credible information for qualified decision-making and budgeting.
- Prioritize short-term maintenance plans and identify long-term strategies.
- Identify and estimate the cost of current deferred maintenance backlog.
- Define equity and parity issues to guide equitable funding decisions.
- Forecast future expenditures.

Fiscal Year 2008 – 2009 will be the first year that includes funding for the program.

County's long-term liability for Other Postemployment Benefits (OPEB).

The county established a task force to manage the county's long-term liability for Other Postemployment Benefits (OPEB). The Board of Supervisors established goals to guide the county's OPEB work that include the following: 1) comply with Governmental Accounting Standards Board (GASB) Statement 45; and 2) adopt an OPEB financing plan that balances the requirement to provide public services with competitive health care benefits for county employees during their employment and retirement.

To achieve the Board's goals, the OPEB Task Force utilized the breadth of expertise available within the county and through professional contracts in each of the following areas: financial, audit, budgetary, personnel, labor relations, benefits, and legal. The importance of incorporating the perspective of all stakeholders also is being addressed.

The Board of Supervisors, through the work of the Task Force, either has accomplished or set a timeline to accomplish the following tasks.

- Received OPEB Task Force presentation on OPEB challenges, which focused on the magnitude of the problem and possible options to reduce the liability (March 2007).
- Directed OPEB Task Force to report on funding targets including evaluating and calculating different funding level scenarios and the fiscal, budgetary, reporting, and programmatic impact of those funding levels (June 2007).

- Adopted an OPEB funding target of 40% of the liability (June 2007) and allocated $588 million in future resources towards the OPEB liability (June 2007).
- Researched benefit plan designs including: detailed demographics of the current active employee population as well as retirees; best practices; other municipalities, public sector, and corporations in the area; and changes to benefit plan design, administration, and funding mechanisms (May 2007 - August 2007).
- Conducted pre-negotiation meetings with county labor representatives regarding the development of possible plans and models for benefit reform (June 2007).
- Developed and delivered 'brown bag' education campaign for county employees, labor organizations, and the public (September 2007 – December 2007).
- Approved an irrevocable trust (Internal Revenue Code Section 115) for OPEB funding for Contra Costa County (January 2008). The purpose of establishing the Trust is to comply with GASB to establish a mechanism for 1) saving OPEB funds, 2) earning interest, and 3) discounting the county's liability.
- Ordered and received the second GASB 45 required comprehensive calculation of liability (spring 2008).
- Adopted changes to the Management Resolution regarding compensation and benefits to initiate the process of reducing the county's OPEB liability and overall health care cost growth for the county (May 2008); however, the approved changes to the Management Resolution have no immediate impact in order to allow the county and employees time to plan for the future. Prior to 2010, the county's goal is to reduce the overall cost growth of benefits through Benefit Plan design changes that will counteract medical cost growth and preserve a balance between providing sound health care coverage for employees and retirees while maintaining vital county programs and services.
- Selected a Benefit Design Consultant, Buck Consultants, to help identify cost control options.
- Implemented a Health Care Benefit Design Task Force to perform the following: become familiar with the county's existing healthcare benefit structure, budgetary costs, and eligibility provisions; determine healthcare needs of county employees; explore cost effective alternative plans; and submit recommendations for the design of competitive, cost effective, and customized healthcare benefit plans.

The Board of Supervisors' actions along with similar actions adopted in July 2008 had a significant impact on the county's original 2006 OPEB liability of $2.6 billion and annually required contribution (ARC) of $131 million. The projected valuation was reduced to $1.7 billion total liability and $129.4 million ARC.

Relevant Financial Policies

The Board of Supervisors adopted a comprehensive set of financial management policies, as described below.

Reserves Policy. The Board adopted a General Fund Reserves Policy in January 2006. The Reserves Policy requires the county to maintain a General Fund balance equal to a minimum of 10% of General Fund revenues and an unreserved balance equal to a minimum of 5% of General Fund revenues. Reserves exceeding the minimum are applied only to one-time uses, such as additional reserves or capital projects up to an amount equal to 1% of General Fund revenues. The reserves only can be used in emergencies and if accompanied by a Board-approved plan to restore reserves to the target levels. The county's audited financial report for fiscal year 2007 - 2008 confirms compliance with the Reserves Policy, as the total General Fund fund balance was 11.5% of General Fund revenues and the unreserved portion was 9.6%.

Budget Policy. The Board adopted a Budget Policy in November 2006. The objectives of the Budget Policy are to establish best practices for the county's budget process and to establish a requirement for preparation of multi-year budget projections. Among other things, the Budget Policy requires the adoption of structurally balanced budgets and requires mid-year updates on budget status by department, with corrective actions presented to the Board within 30 days for any cost centers over budget.

Debt Management Policy. In December 2006, the Board adopted a Debt Management Policy that established formal guidelines for the issuance and management of various types of debt instruments and other financial obligations. The Debt Management Policy provides that the county will undertake multi-year capital planning and sets forth guidelines for the term of debt issues, refunding savings targets, and other structural debt features.

The Debt Management Policy establishes a Debt Affordability Committee (DAC) to establish the viability of any proposed debt-financing, to monitor and evaluate the county's performance against various debt ratio benchmarks, and annually prepare a comprehensive debt capacity report for the Board of Supervisors' Finance Committee. The DAC monitors specific statistical measures and compares them to those of other counties, rating agency standards, and the county's historical ratios.

The first annual DAC report was completed in January 2008. The report shows that even with relatively weak performance, the county has maintained the same double-A credit ratings than stronger performing counties maintain. This achievement is due, in part, to the county's adherence to its financial management policies and the underlying strength of the county's wealth and assessed valuation demographics. In addition, the county's conservative fixed-rate debt portfolio has shielded the county from the serious and expensive disruptions in the variable rate market since the current financial crisis emerged in the Fall of 2007. Nevertheless, the DAC recommended that the county work toward improving its comparative credit performance so that the gap between the county and its cohort counties is reduced. Important elements under the county's control that would reduce the gap include:

- Increasing the unreserved General Fund balance percentage from its current 9.6% more toward the California cohort median (18.7%).
- Continuing to issue debt prudently and structuring debt issues conservatively to achieve low borrowing costs and maximum federal and state reimbursements, which is already required under the Policy.
- Maximizing the county's opportunity to earn allowable arbitrage interest earnings on all indentured funds (such as reserve funds), a practice the County Finance Director has already implemented with the assistance of a registered investment advisor.
- Monitoring the market for refunding opportunities to reduce debt service costs for capital projects and pension costs.
- Evaluating alternative funding sources in order to reduce reliance on issuance of lease revenue bonds.

Investment Pool Rating. For the first time, the Contra Costa County Investment Pool was rated by Standard & Poor's (S & P) on November 19, 2007. The Pool was assigned a fund credit quality rating of "AAAf" and a fund volatility rating of "S1+". The "AAAf" rating is S & P's highest fund credit quality rating with the "S1+" volatility rating reflects low sensitivity to changing market conditions. In order to maintain current and accurate ratings, S & P monitors the portfolio holdings on a monthly basis. Subsequently, on October 6, 2008, S & P affirmed their AAAf and S1+ ratings in their annual review.

Budget Cabinet. The County Administrator established a Budget Cabinet in January 2006 to assist him in developing budget strategies. The cabinet comprises of the Community Development Director, Auditor-Controller, Treasurer-Tax Collector, County Administrator, County Finance Director, Health Services Chief Financial Officer, and the Sheriff-Coroner and continues to meet quarterly.

Workers' Compensation. The Board established a Workers' Compensation Internal Service Fund funding policy in September 2007. The objective of the policy is to establish a targeted minimum confidence level of 80%. The objective was met and exceeded during fiscal year 2007 - 2008.

The frequency in the filing of workers' compensation claims decreased 11% in 2007 - 2008, representing a 31.3% decrease since fiscal year 2002 - 2003. The county attributes the reduction in claim frequency to the training efforts of the Loss Control Unit and county safety coordinators.

Major Initiatives

Established the County's first report of Total Compensation. The County Administrator disclosed and published on the county's web site the "total compensation" costs and retiree health costs of each position classification and for each employee for the 2007 calendar year.

Automated Library Book Dispensers. In order to better serve commuters and residents of eastern Contra Costa County, the Contra Costa County Library became the first library in the nation to provide automated book dispensing machines. Four machines, called "Library-a-Go-Go", are currently planned. A touch screen, similar to an ATM (automated teller machine), is used to select from approximately 500 books that are delivered and returned through an opening in front of the machine.

Virtual Call Center for Land Use Matters. The Public Works and Conservation and Development Departments continued to work together to streamline processes and provide more efficient customer service. This effort resulted in a virtual call center between the two departments to reduce call routing, a new answer book with customer service standards, and a joint newsletter "The Link", which provides contact information on services and programs, in addition to staff liaisons assigned to specific geographic areas.

Enterprise Server Upgrade. The county will complete a major upgrade to its Enterprise Server (Mainframe) by mid-September 2008. This upgrade will position county mainframe clients to utilize the most state-of-the-art computerized environment to leverage their programs and systems in a more productive manner for years to come.

Web Content Management System. The Department of Information Technology initiated and participated in acquiring and implementing a new Web Content Management System. This system replaced the legacy web pages previously used by most of the county. The new system provides a more uniform look and feel across departments and provides modern tools that help us to more efficiently provide information to the public, while giving departments more direct control of their web content.

Municipal Services

Neighborhood Preservation Program. The county successfully rehabilitated 29 residences throughout the county utilizing nearly $1 million in Community Development Block Grant (CDBG) Program Funds.

Weatherization Program. The county employed over one-half million dollars of U.S. Department of Energy Grants to successfully weatherize residences throughout the county.

Keep the Delta Clean Grant. The Public Works Department's Watershed Program was awarded a $1.6 million grant from the State Water Resources Control Board to implement Phase II of the Keep the Delta Clean (KDC) Program. The KDC Program educates boaters and marina operators about clean and safe boating practices and provides free environmental infrastructure to marinas throughout the Sacramento-San Joaquin Delta.

Flood Forecasting. The Flood Control & Water Conservation District has analyzed historical rainfall data and resulting storm runoff flows to develop an empirical method to forecast when a watershed is likely to experience flooding. This method is outlined in the District's website for cities, agencies, and the general public to monitor and determine, in advance, when and where flooding is likely to occur.

Online Property Record Search. The Contra Costa Recorder's Office was the first in the state to provide to the public, at the image level, a complete history of recorded documents, going back to 1849. A person wanting to research a property document uses an online index and, once having identified the document, can click on an image icon and view the document within seconds. Microfilm, microfiche, hard copy index books and hard paper copies are now obsolete, but still stored in a county archive for historical purposes.

Climate Change. As of June 30, 2008, Contra Costa County completed a number of efforts to reduce greenhouse gas emissions from municipal operations and other sources throughout the county including:

- Developing a communitywide and municipal inventory of greenhouse gas emissions
- Establishing an emissions reduction target
- Obtaining a grant from the Bay Area Air Quality Management District to develop a Municipal Climate Action Plan

Health and Human Services

Child Welfare. The county met and/or exceeded all federal outcomes relative to child safety, permanency and well-being:

- 95.7% of children with a substantiated allegation show no recurrence within the past six months
- 94.6% of children with a substantiated allegation have not had a recurrence within the past 12 months
- 99.6% of children in foster care do not have an allegation of abuse while in out-of-home care
- 96% of referral investigations are invested within established time limits

Headstart. The county maintained 100% compliance with safety, program, and enrollment requirements throughout the program year.

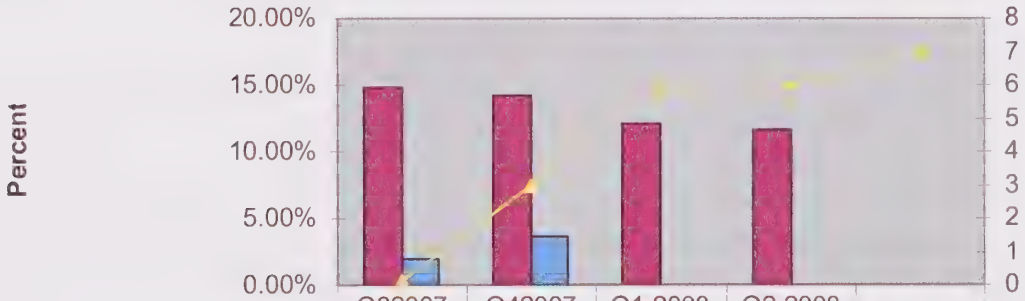
Workforce Development Board. The California Association of Local Economic Development awarded the Workforce Development Board (WDB) its California Award of Merit for Quality Economic Development Programs. The award was given based on the WDB's BESTeam (Business Enhancement Support Team) that links cities and their business constituents to low and no-cost resources for both business and workforce development.

Youth Activities. The county helped to launch the Richmond Youth Services and Empowerment Center (RYSE), which acts as a hub to connect youth, community members, public officials and agencies, and community providers and institutions to build the collective resources of West Contra Costa towards greater health and community revitalization.

Contra Costa Regional Medical Center (CCRMC) and Contra Costa Health Centers. Over the past fiscal year, the inpatient nursing department has been focusing in the following broad areas: People, Quality & Safety, and Fiscal Responsibility.

- ***People*** – The nation is experiencing a shortage for registered nurses (RNs); through 2030, California is predicted to experience a shortage of 73,000. The national average RN vacancy rate is 16.1% and the turnover rate is 13.9%. Locally, the Health Services Department has seen an increase in its RN vacancy rate each year from fiscal year 2005 – 2006 and 2006 – 2007, which correlates with the national trend. The department established a centralized position control list and devised the position allocation process to allow for a coordinated review of existing and needed positions. Staff is engaged in identifying and addressing needed change through the Department's Institute for Health Care Improvement multidisciplinary teams (Perinatal Safety and Transforming Care at the bedside).

People Metrics



	Q32007	Q42007	Q1 2008	Q2 2008	
RN Vacancy Rate	14.80%	14.17%	12.11%	11.60%	
RN Turnover Rate	2%	3.60%	0.02%	0.01%	
New Nationally Certified RNs	12.11%	3	6	6	7

Q3 2007- Q2 2008

- ***Quality and Safety –*** The central measures being monitored and addressed in the hospital include medication safety, hospital acquired pressure ulcers, and injury falls. A team of staff (nursing, pharmacy, and medicine) is active in a collaborative to work toward zero medication errors on two medical units over two years.

Quality Metrics FY 07/08

	Q32007	Q42007	Q1 2008	Q2 2008
% No Med Errors		87.50%	94%	
HAPU (Stage 2+)	4.55%	0	3%	
Falls with injury	0	0	0	

Quarter

- ***Fiscal Responsibility –*** Over the past year, structures have been put in place to monitor and manage staffing deployment. The goal is to have a zero variance in staffing, meaning what is projected is what is deployed. This can be complex to manage as the acuity system does not take into account real time staffing needs and may not take into account state staffing ratio requirements, which became more stringent in January 2008.

Doctor's Hospital. The Medical Center Joint Powers Authority (JPA) worked with Wellspring to implement a number of initiatives in the following areas: Revenue Cycle-improve billing and collections; Labor-right size staffing with hospital volume and need; Non-Labor-renegotiate pricing arrangements and vendor contracts (better pricing on products and services provided to the hospital). These initiatives yielded $9.7 million in savings. The Medical Center JPA then negotiated a three year Medi-Cal contract increase in the amount $36 million with the California Medical Assistance Commission (CMAC); a $12 million three year grant with Kaiser Permanente and a $3 million three year grant with John Muir Medical Center which eliminated the annual $29.7 million structural deficit of Doctors Medical Center.

On June 3, 2008, Doctors Medical Center filed a "Disclosure Statement Plan for the adjustment of debt" in the United States Bankruptcy Court, Northern District of California. On August 14, 2008, the Plan was approved without objection and Doctors Medical Center emerged from bankruptcy.

As of June 30, 2008, $3,394,000 of the $10 million county transfer had been repaid. The remaining balance is being repaid on the time frame as originally anticipated.

Contra Costa Health Plan. On February 28, 2008, Contra Costa Health Plan (CCHP) received approval to participate in the Alternative Methods Demonstration Project from the Federal Center for Medicare and Medicaid Services. The purpose of the project is to expand access to pharmacy services for eligible CCHP enrollees, principally Medi-Cal and Basic Health Care enrollees. Under the project, CCHP has contracted with selected Walgreen Pharmacies to fill the prescriptions for name brand drugs for these enrollees, with drugs priced at specially negotiated federal prices. The project is approved to run from March 2008 through February 2014, and was implemented beginning effective fiscal year 2007 – 2008. The expected annual saving resulting from this project is $1.5 to $2 million.

Community Services and Support Programs. Contra Costa Mental Health (CCMH) implemented three new programs, including a new children's program in far East County (Families Forward) and two programs in West County, one for Transition Age Youth (TAY Program) and one for adults (Bridges to Home), with several community-based organizations and county staff.

Homeless Programs. Working toward accomplishing the Contra Costa 10-year plan to end chronic homelessness, the Homeless Program has housed more than 2,500 formerly chronically homeless individuals in permanent, supportive housing, a significant portion of the estimated 8,000 chronic homeless in the county. The Homeless Program received a grant for $400,000 per year for five years from the Substance Abuse and Mental Health Services Administration (SAMHSA) to provide supportive services to those homeless now in housing. The program opened a new shelter serving eight transition-age youths with mental health problems using new SAMHSA funding.

Preparedness for Health Emergencies. The Health Services Department Health Emergencies Program has overseen the development of a new Operating Center, complete with back-up power and emergency communications equipment to coordinate and direct the countywide health/medical response to any county emergency. General health emergency plans have been updated, including specific plans for pandemic flu, bioterrorism, and surge capacity, to deal with an overwhelmed health delivery system in the county in the event of a large disaster or health emergency. The Health Emergencies Program has conducted tabletop emergency drills bringing together Office of Emergency Services, law enforcement agencies, schools, hospitals and health providers, major employers, refineries, community-based organizations and cities. Those drills practiced emergency communications and responding to pandemic flu or accidental or terrorist chemical and biological releases.

Life-Course Approach in Family, Maternal and Child Health (FMCH). With funding from The California Endowment, the FMCH Director organized and convened a national conference in Oakland on the Life-Course Approach to improving perinatal and family health. Bringing together selected academics, practitioners, and state and local health departments from around the country, the conference set an agenda for a new approach in public health for addressing health disparities in birth outcomes and in family health.

Alcohol and Other Drug Services (AOD). To better serve the West County community, the county expanded its AOD outpatient capability, added an Asian provider of AOD services, and expanded the contract of a provider of prevention services to include outpatient drug-free services.

Infrastructure

Facilities. The county opened several new facilities to provide better, more convenient public services:

- Opened a far East County worksite providing CalWORKs (cash aid to needy families, comprehensive training and employment), Medi-Cal and food stamp services to citizens in those communities.
- Consolidated Employment and Human Services Department staff from seven locations into one three-building complex in Pleasant Hill to improve administrative efficiencies and provide better access to services.
- Completed construction on a new 53,000 square foot complex for the District Attorney that enabled consolidation of staff from three offices into one facility.
- Completed construction of a new Public Works Department building adjacent to its existing offices at 255 Glacier Drive. The 12,000 square foot building was completed under budget and a month ahead of schedule. The additional space allowed the department to remove a number of temporary office trailers from the site and consolidate employees from a remote office site back to the main office.

Capital Road Improvement Grant Program. The Public Works Department developed a strategic objective to better focus on increasing revenues from various grant programs for the Capital Road Improvement Program. The first year of the program netted approximately $3.7 million in grants. Fiscal year 2007 – 2008 proved, again, successful in netting approximately $3.5 million for safety projects and pedestrian and bicycle projects. The funding programs include High-Risk Rural Roads, Highway Safety Improvement Program, and Transportation Development Act Program.

Delivery of Proposition 1B Projects. With voter approval of Proposition 1B, the state made available to the county approximately $9.7 million. The Public Works Department claimed 100% of the funds in March of 2008. The Department made quick use of the funds by advertising the Camino Tassajara Shoulder Widening Project, the San Pablo Dam Rehabilitation Project, Byron Highway Overlay Project and the Alhambra Valley Road Pedestrian Bridge Project. Construction of these projects will be completed by the end of 2008.

Point of Presence. Through a joint effort between the State Department of Technology Services, Department of Motor Vehicles, Department of Justice, Secretary of State and the California County's Information Services Directors Association (CCISDA), spearhead by the Department of Information Technology, the county has been able to reduce the network costs between the state of California and the county by 44 percent. This networking solution has increased the security and reduced the number of network connections (points of presence), and has been replicated throughout the state among all California counties reducing the overall costs to our government programs.

Awards and Acknowledgements

The county received an Award for Excellence in financial reporting for its year-end financial reports for the fiscal year ended June 30, 2007. This Award for Achieving Excellence in Financial Reporting was presented by the California State Controller to the county for achieving the highest quality in California government accounting and financial reporting.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Contra Costa County for its comprehensive annual financial report for the fiscal year ended June 30, 2007. This was the twenty-sixth consecutive year the county has received this prestigious award. In order to be awarded a Certificate of Achievement, the county must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid only for a period of one year. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Office of the Auditor-Controller. I would like to express my appreciation to all members of the Office who assisted and contributed to its preparation. I would also like to thank the members of the Board of Supervisors and the County Administrator for conducting the financial operations of the county in a responsible and progressive manner.

Respectfully submitted,

Stephen J. Ybarra

Stephen J. Ybarra

Auditor-Controller

COUNTY OF CONTRA COSTA

PUBLIC OFFICIALS

June 30, 2008

ELECTED OFFICIALS

Supervisor, District 1	John M. Gioia
Supervisor, District 2	Gayle B. Uilkema
Supervisor, District 3	Mary K. Piepho
Supervisor, District 4	Susan A. Bonilla
Supervisor, District 5	Federal D. Glover
Assessor	Gus S. Kramer
Auditor-Controller	Stephen J. Ybarra
Clerk-Recorder	Stephen L. Weir
District Attorney-Public Administrator	Robert J. Kochly
Sheriff-Coroner	Warren E. Rupf
Treasurer-Tax Collector	William J. Pollacek

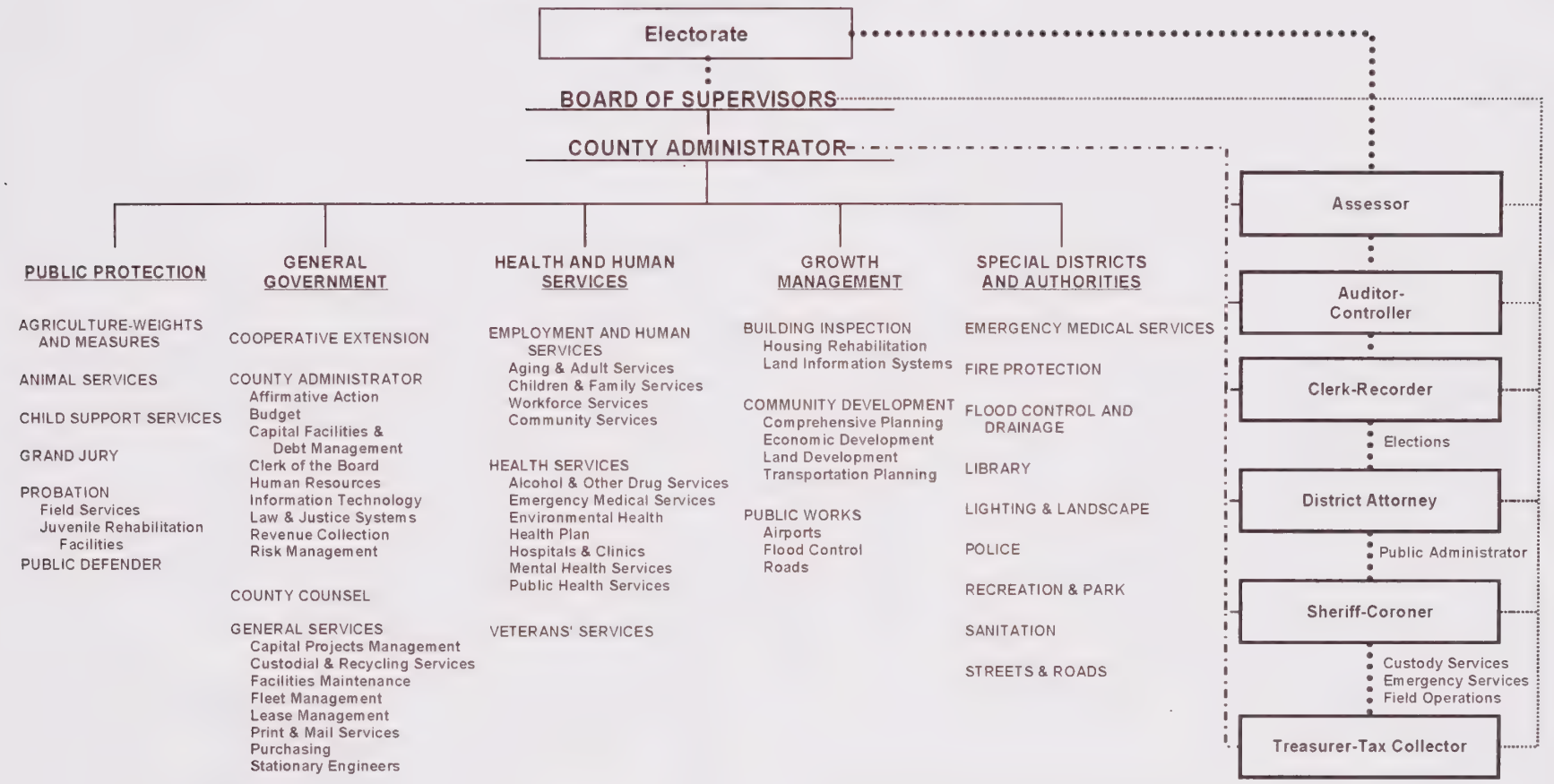
APPOINTED OFFICIALS

County Administrator	John Cullen
County Counsel	Silvano Marchesi
County Librarian	Anne Cain
County Probation Officer	Lionel Chatman
Director of Animal Services	Glenn Howell
Director of Child Support Services	Linda Dippel
Director of Conservation and Development (Interim)	Dennis Barry
Director of Community Services	Pat Stroh
Director of Cooperative Extension	Shelley Murdock
Director of Employment and Human Services	Joseph Valentine
Director of General Services	Michael Lango
Director of Health Services	William Walker, MD
Director of Human Resources/Assistant County Administrator	Carlos Baltodano
Director of Public Works	Julie Bueren
Agricultural Commissioner-Director of Weights and Measures	Vincent L. Guise
Chief Information Officer	Tom Whittington
Public Defender	David Coleman III
County Veterans' Services Officer	Phillip Munley
Contra Costa County Fire Protection District	Chief Keith Richter
Crockett-Carquinez Fire Protection District	Chief Jerry Littleton, Jr.
East Contra Costa County Fire Protection District (Acting)	Chief Hugh Henderson

AFFILIATED ORGANIZATIONS

Administrator, Contra Costa County Employees' Retirement Association	Marilyn Leedom
Executive Director, Housing Authority of the County of Contra Costa	Joseph Villarreal
President, Director, County of Contra Costa Public Facilities Corporation	John E. Whalen
Executive Director, First 5 Contra Costa Children and Families Commission	Sean Casey
Executive Director, County of Contra Costa Public Financing Authority	John Cullen
Executive Director, Contra Costa County Redevelopment Agency	John Cullen
Executive Director, In-Home Supportive Services Public Authority	John Cottrell

Organizational Chart of Contra Costa County



AFFILIATED ORGANIZATIONS

EMPLOYEES' RETIREMENT ASSOCIATION

HOUSING AUTHORITY (1)

PUBLIC FACILITIES CORPORATION

REDEVELOPMENT AGENCY (1)

PUBLIC FINANCING AUTHORITY (1)

FIRST 5 CONTRA COSTA CHILDREN & FAMILIES COMMISSION

IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY (1)

1. Authority/Agency Board is the Board of Supervisors

- ••••••• Elected by the Public
- ..... Elected Officials: Statutorily-Required Board Administrative and Budget Oversight
- ——— Administrative and Budget Direction
- - - - - Administrative Coordination and Budget Oversight

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Contra Costa California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

Financial Section

C&L
Caporicci & Larson
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Honorable Board of Supervisors
of the County of Contra Costa
Martinez, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, a discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Contra Costa, California (County), as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the following component units:

- Contra Costa County Employees' Retirement Association, which represents $6,370,447,000 of assets of the Fiduciary Funds.
- Housing Authority of the County of Contra Costa, which represents $71,773,000 of assets and $98,297,000 of revenue of the business-type activities. The Housing Authority included the following blended component units:
  - Casa Del Rio Senior Housing Associates, L.P.
  - De Anza Gardens, Limited Partnership
  - De Anza Housing, Corporation
- FIRST 5 Contra Costa Children and Families First Commission, which represents $56,505,000 of assets and $14,192,000 of revenues and is presented as a discrete component unit.

Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion on the basic financial statements of the County, insofar as it related to those amounts included for the above mentioned component units in the accompanying basic financial statements of the County, is based solely on the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards in the United States and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Subsequent to the basic financial statements date of June 30, 2008 and the year then ended, the United States has entered into a Financial Credit Crisis. Although the United States Federal Government has taken actions which, at least in part, are intended to relieve and correct this Financial Credit Crisis, investments are subject to significant impairment and losses. To date, the County has not been informed and is not aware of any investment losses. Accordingly, such investment losses, if any, have not been reflected in the accompanying basic financial statements.

In our opinion, based on our audit and the reports of other auditors, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, a discrete component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with generally accepted accounting principles in the United States.

As described in Note 1 to the basic financial statements, the County adopted the following Statements of the Governmental Accounting Standards Board:

- No. 45 - *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension*
- No. 48 - *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2008 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying Required Supplementary Information, such as Management's Discussion and Analysis, budgetary comparison information and other information as listed in the table of contents are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the Required Supplementary Information. However, we did not audit the information and express no opinion on the Required Supplementary Information.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The accompanying Supplementary Information is presented for purpose of additional analysis and is not a required part of the basic financial statements. The Supplementary Information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory Section and Statistical Tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Caporicci & Larson

Oakland, California
December 23, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the County of Contra Costa's Comprehensive Annual Financial Report presents a discussion and analysis of the financial activities of the county for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we furnished in our Letter to the Board of Supervisors and Citizens of the County.

Financial Highlights

- The government-wide assets of the county exceeded its liabilities at the close of fiscal year 2007-2008 by $922,531,000 (net assets), a 9.6 percent decrease from the prior year. Of this amount, $582,128,000 was invested in capital assets, net of related debt, an increase of 21.9 percent. Of the remaining net assets, $405,154,000 was restricted for specific purposes (restricted net assets), a decrease of 3.6 percent, and $(64,751,000) was available to meet the county's ongoing obligations to its citizens and creditors (unrestricted net assets), a decrease of 152.9 percent. This significant decrease to unrestricted net assets is primarily due to the initial recording of the county's net OPEB obligation for the primary government of $158,909,000.

- As of June 30, 2008, the county's governmental funds reported, in the fund financial statements, ending fund balances of $565,608,000, a decrease of 3.6 percent from the prior year. Of this total amount, $396,255,000 (70.1%), was unreserved fund balance.

- As of June 30, 2008, unreserved fund balance for the General Fund was $121,516,000 or 9.6 percent of total General Fund revenues of $1,269,360,000.

- Net assets of the internal service funds (self-insurance funds) was a surplus of $42,745,000, an increase of $34,322,000 from the prior year.

- The county's total debt decreased by $46,755,000 (4.0%) during fiscal year 2007-2008. The decrease was due to the issuance of the 2007 Series B Lease Revenue Bond $(110,265,000) used to pay off existing debt, Sanitation District Number 5 Note Payable $(526,000) being assumed by Crockett Community Services District, and regularly scheduled principal payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the county's basic financial statements. The county's basic financial statements are comprised of three parts as follows: (1) **government-wide** financial statements; (2) **fund** financial statements; and (3) **notes** to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the county's finances in a manner similar to a private-sector business.

The **statement of net assets** presents information on all of the county's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the county is improving or deteriorating.

The **statement of activities** presents information showing how the county's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that only will result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to earned but unused vacation and sick leave.

Both of the government-wide financial statements distinguish functions of the county that principally are supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (business-type activities). The governmental activities of the county include general government, public protection, health and sanitation, public assistance, education, public ways and facilities, and recreation and culture. The business-type activities of the county include the County Hospital, Airport, Housing Authority, Sheriff Law Enforcement Training Center, Child Care, Major Risk Medical Insurance, Health Maintenance Organization Medi-Cal Plan and Health Maintenance Organization Commercial Plan.

Fund Financial Statements

The fund financial statements report groupings of related accounts and are used to maintain control over resources that have been segregated for specific activities and objectives. The county, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the county can be divided into three categories as follows: (1) **governmental** funds, (2) **proprietary** funds, and (3) **fiduciary** funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of resources that are available for spending as well as on balances of resources that are available for spending at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the county's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The county maintains 28 individual governmental funds (e.g. general fund, special revenue funds, debt service funds, capital projects funds and permanent fund) for reporting purposes. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Contra Costa County Fire Protection District Special Revenue Fund, and Land Development Special Revenue Fund which are considered to be major funds. Data from the

other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of those nonmajor governmental funds is provided in the form of combining statements and schedules elsewhere in this report.

The county adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget.

Proprietary funds used by the county are of two different types as follows: (1) enterprise funds, and (2) internal service funds. Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail.

- **Enterprise funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. Information is presented separately in the enterprise funds sections of the proprietary fund statement of net assets and in the proprietary fund statement of revenues, expenses, and changes in net assets for the County Hospital Enterprise Fund and Housing Authority Enterprise Fund, which are considered to be major funds. Data from the other enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of those nonmajor enterprise funds is provided in the form of combining statements and schedules elsewhere in this report.

- **Internal service funds** are used to accumulate and allocate costs internally among the county's various functions. The county uses internal service funds to account for its administrative costs and payment of claims for its various insurance programs to protect county assets and employees. The internal service funds are allocated between the governmental functions and business-type activities in the government-wide financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary funds are used to account for resources held for the benefit of entities legally separate from the county and individuals, which are not part of the reporting entity. The Contra Costa County Employees' Retirement Association (CCCERA) pension plan, the Contra Costa County Other Postemployment Benefit (OPEB) irrevocable trust fund, the county's investment trust fund, private-purpose trust fund, and agency funds are reported under fiduciary funds. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the county's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the county's major governmental funds budget and actual comparisons,

and schedule of funding progress for other postemployment benefits. Progress in funding its obligation to provide pension benefits to employees is included in the CCCERA report.

Combining Statements and Schedules

The combining statements and schedules referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information (other than MD&A).

Component Units

The blended component units, as described in Note 1.A in the "Notes to the Basic Financial Statements", are included in all three parts of the county's basic financial statements. The county and its blended component units constitute the primary government. In addition to the blended component units, the government-wide financial statements and the notes to the basic financial statements also include the discretely presented component unit described in Note 1.A in the "Notes to the Basic Financial Statements".

GOVERNMENT-WIDE FINANCIAL ANALYSIS

COUNTY'S NET ASSETS
June 30, 2008
(In Thousands)

	Governmental Activities		Business-type Activities		Total		Increase/ (Decrease)
	2008	2007	2008	2007	2008	2007	Percent Change
Assets:							
Current and other assets	$ 1,660,257	1,669,157	119,449	132,801	1,779,706	1,801,958	(1.2) %
Capital assets	792,982	724,547	208,803	214,640	1,001,785	939,187	6.7
Total assets	2,453,239	2,393,704	328,252	347,441	2,781,491	2,741,145	1.5 %
Liabilities:							
Current and other liabilities	352,972	318,912	63,438	72,364	416,410	391,276	6.4 %
Long-term liabilities	1,270,592	1,153,010	171,958	176,565	1,442,550	1,329,575	8.5
Total liabilities	1,623,564	1,471,922	235,396	248,929	1,858,960	1,720,851	8.0 %
Net Assets:							
Invested in capital assets, net of related debt	524,350	415,045	57,778	62,470	582,128	477,515	21.9 %
Restricted	380,563	401,842	24,591	18,483	405,154	420,325	(3.6)
Unrestricted	(75,238)	104,895	10,487	17,559	(64,751)	122,454	(152.9)
Total net assets	$ 829,675	921,782	92,856	98,512	922,531	1,020,294	(9.6) %

Analysis of Government-Wide Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The county's total assets exceeded total liabilities by $922,531,000 at June 30, 2008. The largest portion of the county's total net assets, $582,128,000 (63.1%), reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment), less any related debt used to acquire those assets. The

county uses capital assets to provide services to citizens; consequently, those assets are not available for future spending. Although the county's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate those liabilities. An additional portion of the county's total net assets, $405,154,000 (43.9%), represents resources that are subject to external restrictions on usage. The major restriction on net assets, $359,139,000 is for legally segregated taxes, grants, and fees.

The remaining balance of total net assets, $(64,751,000) (-7.0%), is unrestricted. Unrestricted net assets of governmental activities decreased and became negative primarily due to the recording of the OPEB liability $(158,909,000) in the primary government.

Unrestricted net assets of business-type activities decreased primarily due to losses in the provision of health care services (Hospital) and a reduction in grant revenue (Airport).

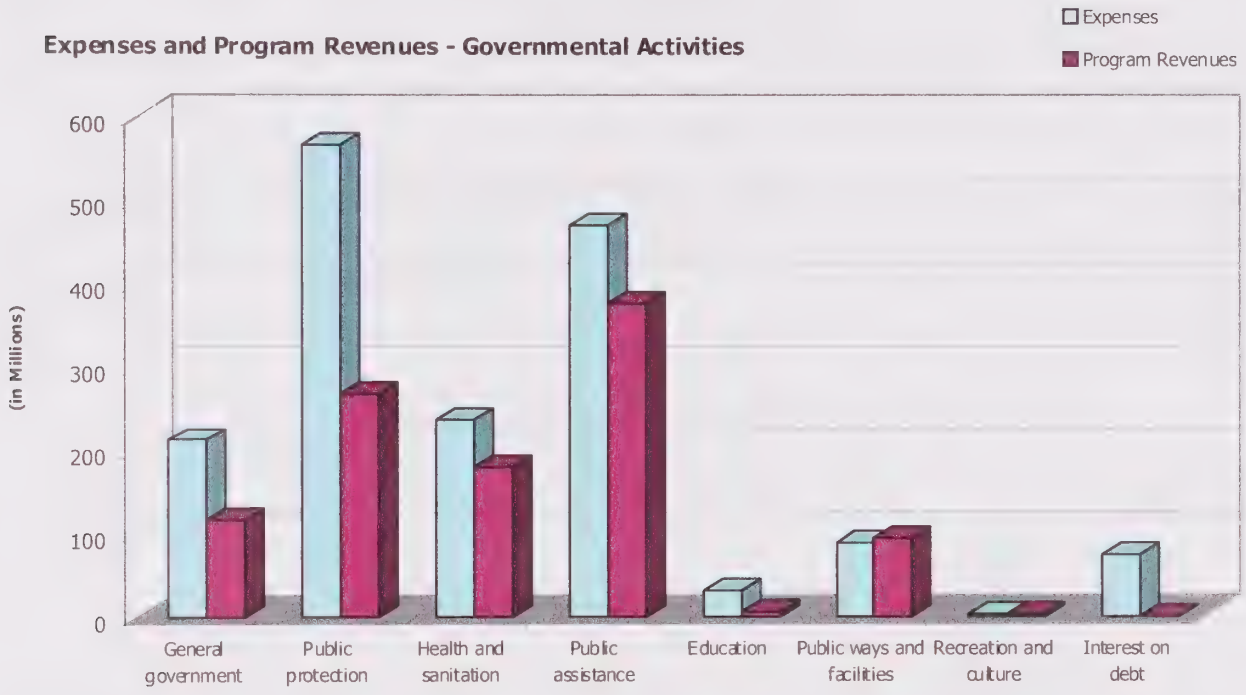
COUNTY'S CHANGE IN NET ASSETS
For the Fiscal Year Ended June 30, 2008
(In Thousands)

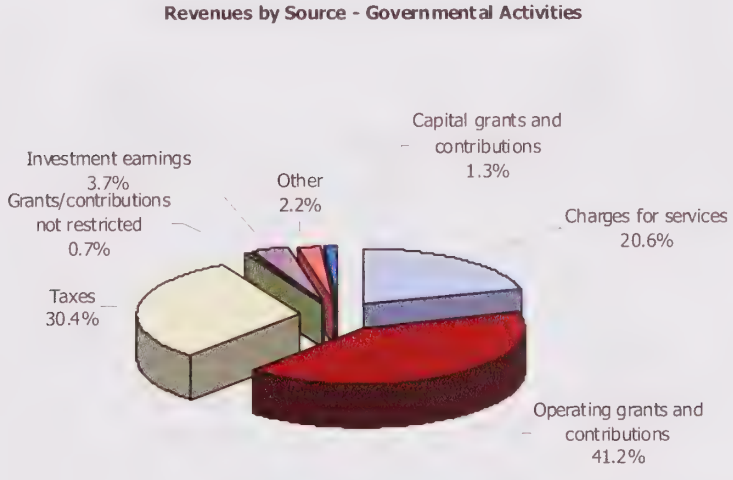
	Governmental Activities		Business-type Activities		Total		Increase/ (Decrease) Percent Change
	2008	2007	2008	2007	2008	2007	
Revenues:							
Program revenues:							
Charges for services	$ 335,903	327,458	434,056	399,467	769,959	726,925	5.9 %
Operating grants and contributions	673,571	660,371	145,413	134,915	818,984	795,286	3.0
Capital grants and contributions	21,797	8,970	7,239	8,866	29,036	17,836	62.8
General revenues:							
Taxes	495,991	467,663			495,991	467,663	6.1
Grants/contributions not restricted	11,300	16,120			11,300	16,120	(29.9)
Investment earnings	60,239	62,024	455	386	60,694	62,410	(2.8)
Other	35,344	32,661	1,746	1,082	37,090	33,743	9.9
Total revenues	1,634,145	1,575,267	588,909	544,716	2,223,054	2,119,983	4.9
Expenses:							
General government	211,224	165,911			211,224	165,911	27.3
Public protection	566,154	500,698			566,154	500,698	13.1
Health and sanitation	234,551	181,922			234,551	181,922	28.9
Public assistance	468,892	426,503			468,892	426,503	9.9
Education	30,040	25,452			30,040	25,452	18.0
Public ways and facilities	86,443	99,630			86,443	99,630	(13.2)
Recreation and culture	1,141	1,298			1,141	1,298	(12.1)
Interest on debt	73,873	81,243			73,873	81,243	(9.1)
Capital outlay							
County Hospital			353,511	325,208	353,511	325,208	8.7
Housing Authority			98,849	97,278	98,849	97,278	1.6
Airport			5,183	4,972	5,183	4,972	4.2
Sheriff Law Enforcement Training Center			1,331	1,504	1,331	1,504	(11.5)
Child Care Enterprise			6		6		
HMO Medi-Cal Plan			85,645	81,703	85,645	81,703	4.8
HMO Commercial			100,855	90,646	100,855	90,646	11.3
Major Risk Medical Insurance			1,288	1,892	1,288	1,892	(31.9)
Total expenses	1,672,318	1,482,657	646,668	603,203	2,318,986	2,085,860	11.2
Change in net assets before transfers	(38,173)	92,610	(57,759)	(58,487)	(95,932)	34,123	(381.1)
Transfers	(53,934)	(53,287)	53,934	53,287			
Change in net assets	(92,107)	39,323	(3,825)	(5,200)	(95,932)	34,123	(381.1)
Net Assets, Beginning of Year	921,782	882,459	98,512	101,456	1,020,294	983,915	3.7
Adjustments to beginning net assets			(1,831)	2,256	(1,831)	2,256	
Net Assets, Beginning of Year, as Restated	921,782	882,459	96,681	103,712	1,018,463	986,171	
Net Assets, End of Year	$ 829,675	921,782	92,856	98,512	922,531	1,020,294	(9.6) %

Analysis of the Changes in Government Wide Net Assets

The county's net assets decreased by $95,932,000 during fiscal year 2007-2008. Generally, this resulted from the recording of the expense offsetting the OPEB liability ($158,909,000). The changes are explained below in the governmental activities and business-type activities discussions.

Governmental Activities





Governmental activities decreased the county's net assets by $92,107,000. The decrease in net assets primarily is due to the initial recording of the county's net OPEB obligation for the primary government.

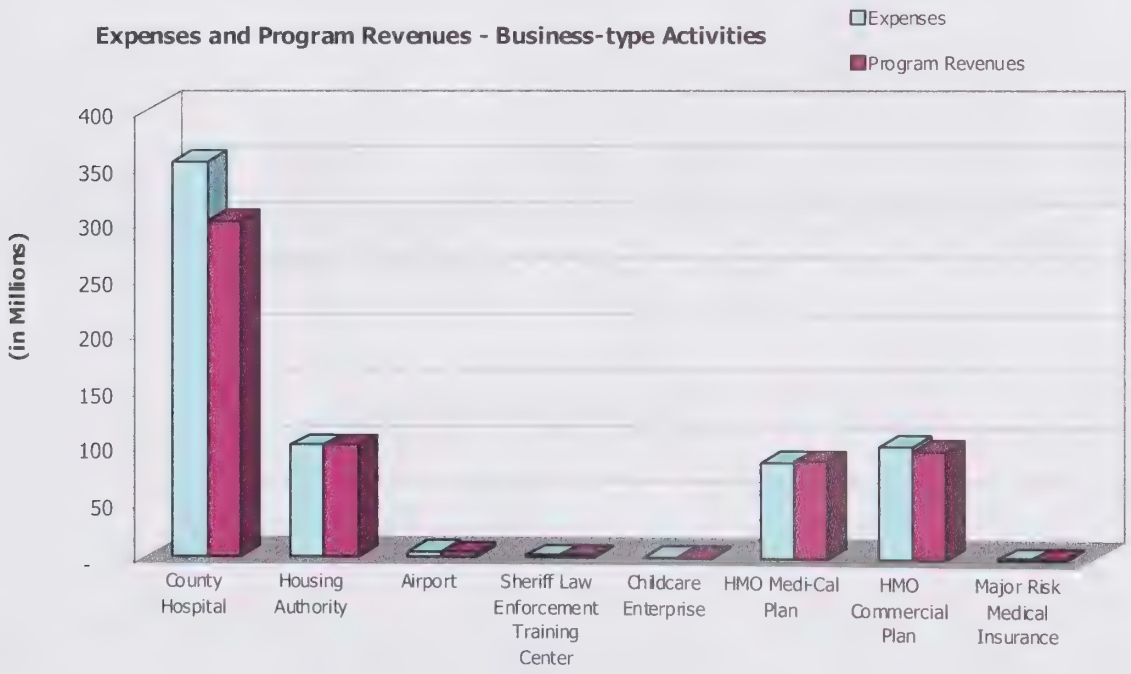
Governmental activities capital grants and contributions increased by $12,827,000 (143.0%) due to receipt of additional road improvement grants.

Grants/contributions not restricted decreased by $4,820,000 (29.9%) due to a reduction in highway users tax received.

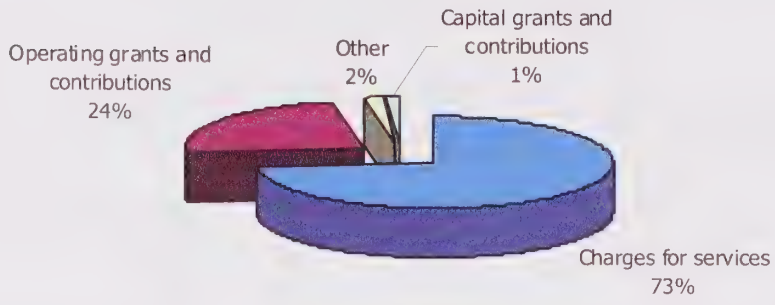
Tax revenue increased overall by $28,328,000 (6.1 %). Property taxes increased by $22,081,000 (5.0%). This is a significant decrease from the 13.2 percent increase shown in the prior year. This trend of diminishing returns is expected to continue into the next year and, likely, subsequent years.

Expenses for governmental activities increased by $187,911,000 (12.7%) due primarily to the recording of the county's net OPEB obligation.

Business-type Activities



Revenues by Source - Business-type Activities



Business-type activities decreased the county's net assets by $3,825,000. Program expenses exceeded revenues for the County Hospital, Airport, Sheriff Law Enforcement Training Center, Child Care, and Health Maintenance Organization (Commercial Plan).

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The county uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The following is an analysis of the activities of the county's funds for fiscal year 2007-2008 as reported in the fund-basis financial statements.

Governmental Funds

The focus of the county's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful to assess the county's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the county include the general, special revenue, debt service, capital projects, and permanent funds.

As of June 30, 2008, the county's governmental funds reported combined ending fund balances of $565,608,000, a decrease of $20,898,000 in comparison with the prior year. Approximately $396,255,000 (70.1%) of those fund balances constitutes unreserved fund balances that are available for spending at the county's discretion. The remainder of those fund balances is reserved to indicate that it is not available for new spending because it already is committed as follows: (1) for encumbrances - to liquidate remaining contracts and purchase orders $55,151,000; (2) to reflect advances to other funds and inventories $9,185,000; (3) for payment of debt service $31,306,000; (4) bond proceeds with restrictions $56,506,000, or (5) for miscellaneous other restricted purposes $17,205,000.

General Fund

The General Fund is the primary operating fund of the county. At June 30, 2008, the unreserved fund balance of the General Fund was $121,516,000 an increase of $5,403,000 in comparison to the prior year, while total fund balance was $145,614,000, a decrease of $3,502,000 in comparison to the prior year. As a measure of the

General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 10.3 percent of total General Fund expenditures, while total fund balance represents 12.3 percent. For the prior year, these figures were 10.0 percent and 12.8 percent, respectively.

The unreserved fund balances of the General Fund increased due to the county's continued stringent cost controls with the goal to increase the county's financial stability.

Assets and liabilities increased due mainly to the issuance of a higher Tax and Revenue Anticipation Note (TRAN) ($70,000,000 increase over prior year TRAN).

General Fund revenues decreased by $8,470,000 (0.7%) while expenditures increased $18,327,000 (1.6%).

Revenues

Intergovernmental, revenue from other governmental entities decreased by $14,885,000 (2.5%), taxes increased by $12,984,000 (4.3%) and other revenue decreased by $8,299,000 (7.7%).

Intergovernmental revenue decreases were mostly in the Public Assistance, Public Protection, and General Government functions. The most significant decrease was federal and state aid for elections in the General Government function.

Expenditures

General Government expenditures decreased by $9,208,000 (5.4%). The major component was a decrease in plant acquisition of $12,836,000.

Health and Sanitation expenditures increased by $14,166,000 (7.8%). The primary cause was increased mental health expenditures.

Public Protection expenditures increased by $9,348,000 (2.8%). There were increases in several areas, notably district attorney and jail expenditures.

CCC Fire Protection District Fund

The CCC Fire Protection District provides fire and emergency medical services to nine cities and certain unincorporated areas in the county. The District's fund balance decreased by $5,621,000 (18.6%) during fiscal year 2007 – 2008.

Revenues, primarily charges for services, increased by $3,270,000 (3.3%) while expenditures, mainly fixed assets, services and supplies, and salaries and benefits, increased by $6,248,000 (6.3%).

Land Development Fund

The Land Development fund provides growth related management activities of the Building Inspection Department, Public Works Department and the Conservation and Development Department. The fund balance decreased by $1,371,000 (4.2%) during fiscal year 2007 – 2008.

Revenues from licenses, permits and franchise fees decreased by $5,106,000 (25.3%) while revenues from charges for services increased by $5,037,000 (58.3%). Expenditures decreased by $66,000 (0.2%).

Nonmajor Funds

Special revenue funds had a significant increase in fund balance ($18,265,000) due to increases in intergovernmental revenue in the Road, Health and Sanitation, and Child Development funds.

Capital Projects Funds had a significant decrease in fund balance ($26,639,000) due to issuance of debt in the prior year.

Proprietary Funds

As mentioned earlier, the county's proprietary fund financial statements provide the same type of information found in the government-wide financial statements but in more detail.

Net assets at June 30, 2008, was $14,822,000 for the County Hospital Enterprise Fund, $49,175,000 for the Housing Authority Enterprise Fund, and $27,266,000 for the nonmajor enterprise funds. As a result of operations during the year, net assets of the County Hospital Enterprise Fund decreased by $6,952,000, net assets of the Housing Authority Enterprise Fund increased by $1,908,000, and net assets of the nonmajor enterprise funds decreased by $1,125,000. Additionally, the beginning net assets of the Housing Authority Enterprise Fund was decreased by $1,831,000 due to a correction to accumulated depreciation and developer fees.

Net assets of the internal service funds were $42,745,000. As a result of operations during the year, the net assets of the Workers' Compensation Insurance County General Internal Service Fund increased by $25,254,000, the net assets of the Workers' Compensation Insurance Fire Protection Internal Service Fund increased by $5,587,000, and the net assets of the other internal service funds increased by $3,481,000.

The elimination of the deficits in the internal service funds is a combination of increased cost control and increased revenue (charges to the departments).

GENERAL FUND BUDGETARY HIGHLIGHTS

The county's final budget differs from the original budget in that it contains carry-forward appropriations for various programs and projects and supplemental appropriations approved during the fiscal year. Total budgeted revenues were increased by $55,978,000 (4.4%) in the final budget. Actual revenues were less than final budgeted revenues by $69,982,000 (5.2%). Total budgeted expenditures increased by $57,706,000 (4.8%) in the final budget. Actual expenditures were less than final budgeted expenditures by $84,292,000 (6.6%) percent. Significant factors impacting those changes were as follows:

Original Budget vs. Final Budget

Revenue Variances

- Intergovernmental revenue was increased due to additional information on the ability of others to provide program aid.

- Charges for services were increased after additional information was received during the year as to the ability of others to request provision of services.

- Other revenue was increased during the year to set up revenue budget for plant acquisition activities.

Expenditure Variances

- The Final Budget for General Government - Plant Acquisition included re-appropriation for projects not completed in the prior year and additional appropriations for building and improvement projects that were funded during the current year.

- The Final Budget for Public Protection included additional grant funds for emergency services and Sheriff.

- The Final Budget for Public Assistance incorporated additional funding for Employment and Human Services for workforce services.

Final Budget vs. Actual Amounts

Revenue Variances

- Intergovernmental revenue (primarily state aid) was lower than expected by approximately $69,467,000.

Expenditure Variances

- General Government – Plant acquisition expenditures were less than budgeted because the budget included appropriations for various building improvement and construction projects that were not completed during the year and non-essential projects being deferred.

- Public Assistance – Aging and adult expenditures for Employment and Human Services were less than expected.

- Public Ways and Facilities – Road construction expenditures were less than budgeted due to progress on the Highway 4 Bypass not reaching expected levels.

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

Capital Assets

Capital assets for the governmental and business-type activities are presented below to illustrate changes from the prior year:

COUNTY'S CHANGES IN CAPITAL ASSETS
(Net of Depreciation)
(In Thousands)

	Governmental activities		Business-type activities		Total		Increase/ (Decrease)
	2008	2007	2008	2007 (as restated)	2008	2007 (as restated)	Percent Change
Infrastructure	$ 293,001	266,156			293,001	266,156	10.1 %
Land	73,406	68,107	12,816	12,816	86,222	80,923	6.5
Structures and improvements	318,754	288,509	180,193	183,984	498,947	472,493	5.6
Equipment	48,589	46,469	11,451	11,585	60,040	58,054	3.4
Construction in progress	59,232	55,306	4,343	4,457	63,575	59,763	6.4
Total	$ 792,982	724,547	208,803	212,842	1,001,785	937,389	6.9 %

The county's investment in capital assets for its governmental and business-type activities as of June 30, 2008, was $1,001,785,000 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads, highways, drainage systems, and bridges. The total county's investment in net capital assets for fiscal year 2007-2008 increased by 6.9 percent (a 9.4 percent increase for governmental activities and a 1.9 percent decrease in business-type activities).

The major increase in the county's investment in capital assets for government activities is due to:

	Project Cost to Date:
Various Employment and Human Services facilities improvements	$10,117,000
Redevelopment Agency land purchases	5,009,000
Roads construction in progress	12,197,000

Business activities had a net decrease in capital assets as the result of depreciation expense exceeding new additions. Construction commitments for additional health care facilities under constructions are:

	Project Cost to Date:
Contra Costa Regional Medical Center	$2,523,000
Pittsburg Health Clinic	471,000

Specific changes in governmental and business-type activities are presented in Note 7, in the "Notes to the Basic Financial Statements".

Long-Term Debt

Long-term debt for the governmental and business-type activities is presented below to illustrate changes from the prior year:

COUNTY'S OUTSTANDING DEBT
Capital Lease Obligations, Certificates of Participation, Pension Obligation Bonds, Retirement Litigation Settlement, Notes Payable, Other Bonds Payable, Lease Revenue Bonds, Tax Allocation Bonds and Special Assessment Debt
(In Thousands)

	Governmental activities		Business-type activities		Total		Increase/ (Decrease)
	2008	2007	2008	2007	2008	2007	Percent Change
Capital lease obligations	$ 12,478	13,444	1,346	1,899	13,824	15,343	(9.9) %
Certificates of participation				112,845		112,845	(100.0)
Pension obligation bonds	619,135	643,990			619,135	643,990	(3.9)
Retirement litigation settlement	24,034	24,809			24,034	24,809	(3.1)
Notes payable	1,482	788	18,563	17,224	20,045	18,012	11.3
Other bonds payable	3,650	4,015			3,650	4,015	(9.1)
Lease revenue bonds	162,386	174,633	138,319	33,037	300,705	207,670	44.8
Tax allocation bonds	132,290	133,105			132,290	133,105	(0.6)
Special assessment debt	11,740	12,389			11,740	12,389	(5.2)
Total	$ 967,195	1,007,173	158,228	165,005	1,125,423	1,172,178	(4.0) %

At June 30, 2008, the county had total long-term debt outstanding of $1,125,423,000. The county's legal debt limit was $7,972,255,000. During the year, the county's liabilities for long term debt decreased by $46,755,000 (4.0%). Specific changes in governmental and business-type activities are presented in Note 11 in the "Notes to the Basic Financial Statements".

During the current year through the Public Financing Authority, the county undertook a significant long-term debt transaction that provided $110,265,000 for the redemption of the remaining 1997 Hospital Replacement certificates of participation.

The county achieved present value debt service saving of $4.211 million on the refunded securities.

Refer also to the information on the Debt Management Policy in the Letter of Transmittal (page vi).

The outlook on the county's credit ratings continues to be "stable" by both Moody's Investors Service (Moody's) and Standard & Poor's Ratings Services (S&P) during fiscal year 2007-08. The county's underlying long-term ratings are as follows:

Type of Issue	Moody's	S&P
Issuer rating/implied general obligation bond rating	Aa3	AA
Pension obligation bonds	A1	AA-
Lease revenue bonds	A2	AA-

The county has purchased municipal bond insurance policies on most of its pension obligation bonds and lease revenue bonds, thereby resulting in those securities being rated in the highest possible long-term rating category of Aaa by Moody's and S&P.

County General Fund expenditures tend to occur in level amounts throughout the fiscal year. Conversely, receipts have followed an uneven pattern primarily as a result of secured property tax installment delinquency dates concentrated in December and April and as a result of delays in payments from other governmental agencies, the two largest sources of county revenues. The county issues short-term tax and revenue anticipation notes (TRANs) from time to time to finance periodic cash deficits in the General Fund due to the temporary mismatch of revenues and expenditures. The county issued $180 million of TRANs in fiscal year 2007-08 and received the highest possible short-term ratings of MIG 1 from Moody's and SP-1+ from S&P.

KNOWN FACTS, DECISIONS AND CONDITIONS THAT ARE EXPECTED TO HAVE A SIGNIFICANT EFFECT ON FINANCIAL POSITION OR RESULTS OF OPERATIONS NEXT YEAR

- Consider the growing service delivery needs in the county, exacerbated by housing crisis turmoil.
- Development of an Other Postemployment Benefit (OPEB) funding plan that balances provision of public services with the provision of competitive health care benefits.
- Results of ongoing labor negotiations, including the impact relating to the OPEB liability.
- Reduction in anticipated countywide revenue including property tax, fines, fees, etc.
- Continuing fiscal crisis of state and federal governments.
- All of the facts, decisions and conditions listed above were considered in preparing the county's budget for fiscal year 2008-2009.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the county's finances for all those with an interest in the county's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the County Auditor-Controller, 625 Court Street, Room 103, Martinez, CA 94553-1282.

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

COUNTY OF CONTRA COSTA
STATEMENT OF NET ASSETS
JUNE 30, 2008
(In Thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Contra Costa Children and Families Commission
Assets:				
Cash and investments	$ 444,725	59,419	504,144	52,187
Receivables (net)	304,711	31,745	336,456	2,103
Inventories	1,825	786	2,611	
Internal balances	1,837	(1,837)		
Notes receivable	72,787	333	73,120	693
Prepaid items and deposits	7,289	1,998	9,287	553
Deferred charges	5,353	2,251	7,604	
Land held for resale	6,305		6,305	
Prepaid pension asset (net)	531,741		531,741	
Other noncurrent assets		522	522	
Restricted assets:				
Restricted cash and investments	283,684	23,160	306,844	
Notes receivable		1,072	1,072	
Capital assets:				
Nondepreciable	132,638	17,159	149,797	246
Depreciable, net	660,344	191,644	851,988	723
Total assets	2,453,239	328,252	2,781,491	56,505
Liabilities:				
Short term notes payable	180,000		180,000	
Accounts payable and accrued liabilities	92,392	40,905	133,297	429
Accrued interest payable	10,939	676	11,615	
Due to primary government				1,308
Due to other agencies				548
Welfare program advances	19,594		19,594	
Unearned revenue	50,047	21,857	71,904	53
Noncurrent liabilities:				
Due within one year	103,067	8,083	111,150	9
Due in more than one year	1,167,525	163,875	1,331,400	84
Total liabilities	1,623,564	235,396	1,858,960	2,431
Net Assets:				
Invested in capital assets, net of related debt	524,350	57,778	582,128	970
Restricted for:				
Legally segregated taxes, grants and fees	358,711	428	359,139	
Tenant deposits		13,628	13,628	
Debt service	20,082	10,535	30,617	
Permanent fund:				
Expendable portion	41		41	
Nonexpendable portion	1,729		1,729	
Total restricted net assets	380,563	24,591	405,154	
Unrestricted (deficit)	(75,238)	10,487	(64,751)	53,104
Total net assets	$ 829,675	92,856	922,531	54,074

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(In Thousands)

Function/Program Activities:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 211,224	102,339	13,386	
Public protection	566,154	135,403	130,103	
Health and sanitation	234,551	65,823	111,516	
Public assistance	468,892	3,068	372,251	
Education	30,040	923	3,642	
Public ways and facilities	86,443	28,133	42,591	21,797
Recreation and culture	1,141	214	82	
Interest on debt	73,873			
Total governmental activities	1,672,318	335,903	673,571	21,797
Business-type activities:				
County Hospital	353,511	271,565	22,604	5,941
Housing Authority	98,849	5,406	92,233	1,298
Airport	5,183	3,433	222	
Sheriff Law Enforcement Training Center	1,331	879	237	
Child Care Enterprise	6			
HMO Medi-Cal Plan	85,645	86,163		
HMO Commercial Plan	100,855	65,246	30,117	
Major Risk Medical Insurance	1,288	1,364		
Total business-type activities	646,668	434,056	145,413	7,239
Total primary government	$ 2,318,986	769,959	818,984	29,036
Component unit:				
First 5 Contra Costa Children and Families Commission	$ 13,977		11,844	

GENERAL REVENUES:
Taxes:
Property
Sales
Other
Grants/contributions not restricted
Investment earnings
Other
TRANSFERS
Total general revenues and transfers
Change in net assets
NET ASSETS, BEGINNING OF YEAR
Adjustments to beginning net assets (Note 2)
NET ASSETS, BEGINNING OF YEAR, AS RESTATED
NET ASSETS, END OF YEAR

See accompanying notes to the basic financial statements.

Net (Expenses) Revenues and Changes in Net Assets			Component Unit
Governmental Activities	Business-type Activities	Total	First 5 Contra Costa Children and Families Commission
(95,499)		(95,499)	
(300,648)		(300,648)	
(57,212)		(57,212)	
(93,573)		(93,573)	
(25,475)		(25,475)	
6,078		6,078	
(845)		(845)	
(73,873)		(73,873)	
(641,047)		(641,047)	
	(53,401)	(53,401)	
	88	88	
	(1,528)	(1,528)	
	(215)	(215)	
	(6)	(6)	
	518	518	
	(5,492)	(5,492)	
	76	76	
	(59,960)	(59,960)	
(641,047)	(59,960)	(701,007)	
			(2,133)
$ 459,739		459,739	
14,073		14,073	
22,179		22,179	
11,300		11,300	
60,239	455	60,694	2,347
35,344	1,746	37,090	1
(53,934)	53,934		
548,940	56,135	605,075	2,348
(92,107)	(3,825)	(95,932)	215
921,782	98,512	1,020,294	53,859
	(1,831)	(1,831)	
921,782	96,681	1,018,463	53,859
$ 829,675	92,856	922,531	54,074

COUNTY OF CONTRA COSTA

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2008

(In Thousands)

	General	CCC Fire Protection District Special Revenue	Land Development Special Revenue	Nonmajor	Total
Assets:					
Cash and investments	$	29,261		275,721	304,982
Accounts receivable and accrued revenue (net)	185,351	1,896	49,975	63,074	300,296
Inventories	1,825				1,825
Due from other funds	62,016	1,072	13,002	7,608	83,698
Advances to other funds				7,360	7,360
Notes receivable	58,507			14,280	72,787
Prepaid items and deposits	4,914	451		1,924	7,289
Land held for resale				6,305	6,305
Restricted cash and investments	182,072			101,612	283,684
Total assets	$ 494,685	32,680	62,977	477,884	1,068,226
Liabilities and Fund Balances					
Liabilities:					
Short term notes payable	$ 180,000				180,000
Accounts payable and accrued liabilities	65,909	7,110	1,947	17,424	92,390
Due to other funds	9,178	955	1,728	68,472	80,333
Welfare program advances	19,422			172	19,594
Advances from other funds				7,360	7,360
Deferred revenue	74,562	65	27,894	20,420	122,941
Total liabilities	349,071	8,130	31,569	113,848	502,618
Fund Balances:					
Reserved for:					
Encumbrances	16,181		18,212	20,758	55,151
Inventories	1,825				1,825
Advances to other funds				7,360	7,360
Prepaid items and deposits	4,720	451		1,922	7,093
Land held for resale				6,305	6,305
Programs with purpose restrictions				637	637
Escrowed bonds				19,945	19,945
Bond proceeds with eligibility restriction				36,561	36,561
Housing projects				28	28
Debt service				31,306	31,306
Lease purchases	1,372				1,372
Permanent fund-expendable portion				41	41
Permanent fund-nonexpendable portion				1,729	1,729
Unreserved, designated for:					
Equipment replacement	8,495		1,001	6,237	15,733
Litigation/audit	5,000				5,000
Dougherty Valley	290				290
CCC Fire Protection Dist capital facilities		5,860			5,860
CCC Fire Protection Dist reserve designation		10,841			10,841
General fund capital reserve	12,707				12,707
General fund reserve designation	80,868				80,868
Unreserved, undesignated, reported in:					
General fund	14,156				14,156
Special revenue funds		7,398	12,195	226,038	245,631
Capital projects funds				5,169	5,169
Total fund balances	145,614	24,550	31,408	364,036	565,608
Total liabilities and fund balances	$ 494,685	32,680	62,977	477,884	1,068,226

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS

JUNE 30, 2008
(In Thousands)

Fund balances - total governmental funds (page 22)			$ 565,608
Amounts reported for governmental activities in the statement of net assets are different because:			
The pension assets resulting from contributions in excess of the annual required contribution are not financial resources and therefore not reported in the funds.			531,741
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			792,982
Accrued revenue, which is not available soon enough to pay for the current period's expenditures, is deferred in the governmental funds.			107
Notes receivable are not available to pay current-period expenditures and, therefore, are deferred in the governmental funds.			72,787
Internal service funds are used by management to charge the costs of self insurance to individual funds. The assets and liabilities of these funds, except for the medical liability insurance fund, are included as governmental activities in the statement of net assets.			41,152
Interest on long-term debt is recognized as it accrues, regardless of when it is due.			(10,939)
Costs of issuance on bonds are not recognized as current expenditures and are deferred.	$ 6,305		
Bond issuance cost transferred to business-type activities.	(414)		
Current year amortization of costs of issuance on bonds.	(538)		5,353
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.			
Lease revenue bonds	(162,386)		
Notes payable	(1,482)		
Tax allocation bonds	(132,290)		
Special assessment bonds	(11,740)		
Other bonds payable	(3,650)		
Pension obligation bonds	(619,135)		
Retirement litigation settlement	(24,034)		
Capital lease obligations	(12,478)		
Compensated absences	(40,150)		
Net OPEB obligation	(158,909)		
Environmental remediation	(1,750)		
Premiums, discounts and deferred amounts on refundings	(1,112)		(1,169,116)
Net assets of governmental activities (page 19)			$ 829,675

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(In Thousands)

	General	CCC Fire Protection District Special Revenue	Land Development Special Revenue	Nonmajor	Total
Revenues:					
Taxes	$ 317,307	88,500		102,251	508,058
Licenses, permits and franchise fees	12,613	93	15,104	2,043	29,853
Fines, forfeitures and penalties	21,255		5	8,170	29,430
Use of money and property	13,829	195	2,477	43,328	59,829
Intergovernmental	588,193	4,638		96,697	689,528
Charges for services	216,838	6,184	13,678	38,999	275,699
Other revenue	99,325	698	6,544	34,440	141,007
Total revenues	1,269,360	100,308	37,808	325,928	1,733,404
Expenditures:					
Current:					
General government	159,755			16,595	176,350
Public protection	341,334	105,690	26,154	101,985	575,163
Health and sanitation	196,017			10,925	206,942
Public assistance	392,182			81,343	473,525
Education	312			26,082	26,394
Public ways and facilities	88,851		9,287	43,546	141,684
Recreation and culture				1,076	1,076
Debt service:					
Principal	95			38,322	38,417
Interest	5,108			59,157	64,265
Debt issuance cost				363	363
Total expenditures	1,183,654	105,690	35,441	379,394	1,704,179
Excess (deficiency) of revenues over (under) expenditures	85,706	(5,382)	2,367	(53,466)	29,225
Other Financing Sources (Uses):					
Transfers in	12,621	546	1	59,926	73,094
Transfers out	(106,506)	(785)	(3,739)	(15,896)	(126,926)
Issuance of debt	1,332			35,285	36,617
Proceeds on issuance of debt transferred to business-type activities				(36,687)	(36,687)
Proceeds on issuance of debt transferred to the investment trust funds				(526)	(526)
Premium on debt issued	970			960	1,930
Capital lease financing	2,375				2,375
Total other financing sources (uses)	(89,208)	(239)	(3,738)	43,062	(50,123)
Net change in fund balances	(3,502)	(5,621)	(1,371)	(10,404)	(20,898)
Fund Balances at Beginning of Year	149,116	30,171	32,779	374,440	586,506
Fund Balances at End of Year	$ 145,614	24,550	31,408	364,036	565,608

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(In Thousands)

Net change in fund balances - total governmental funds (page 24)		$ (20,898)
Amounts reported for governmental activities in the statement of activities are different because:		
Revenues that were deferred in the governmental funds because they were unavailable are reported as current revenue.		4,548
Governmental funds report capital asset acquisitions as either capital outlay or other current program expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for capital assets	$ 106,522	
Capital assets transferred from business-type activities	37	
Less loss on sale/retirement of capital assets	(613)	
Less current year depreciation	(37,479)	
Less accumulated depreciation transferred from business-type activities	(32)	68,435
Estimated environmental remediation obligation is not considered due and payable and, therefore, is not reported as a liability in governmental funds.		(2,250)
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Debt issuance	(36,617)	
Proceeds on issuance of debt transferred to business-type activities	36,687	
Proceeds on issuance of debt transferred to investment trust funds	526	
Deferral of bond issuance cost	777	
Bond issuance cost transferred to business-type activities	(414)	
Premium on debt issued*	(2,168)	
Premium on debt issued transferred to business-type activities	1,567	
Principal payments	38,417	
Capital lease payments	3,340	
Issuance of capital lease	(2,375)	
Expenditures made on environmental remediation	500	40,240
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in long-term compensated absences	(2,352)	
Amortization of pension asset	(49,113)	
Amortization of bond issuance cost	(538)	
Loss on refunding transferred to business-type activities	(1,492)	
Amortization of premiums, discounts and loss on refunding - Lease Revenue Bonds	258	
Amortization of premiums, discounts and loss on refunding - Tax Revenue Bonds	(100)	
Change in accrued interest payable	(1,914)	
Net OPEB obligation	(158,909)	(214,160)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is reported with governmental activities.		31,978
Change in net assets of governmental activities (page 21)		$ (92,107)

* Excludes premium received on TRAN issued.

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

JUNE 30, 2008

(In Thousands)

	Enterprise Funds				
	County Hospital	Housing Authority*	Nonmajor	Total	Internal Service
Assets:					
Current assets:					
Cash and investments	$ 33,801	1,879	16,544	52,224	146,938
Accounts receivable and accrued revenue (net)	27,336	676	3,685	31,697	4,463
Inventories	743		43	786	
Due from other funds	13,554		18,094	31,648	430
Notes receivable		333		333	
Prepaid items and deposits	1,615	259	124	1,998	
Deferred charges	2,251			2,251	
Total current assets	79,300	3,147	38,490	120,937	151,831
Noncurrent assets:					
Restricted cash and investments	9,049	14,091	20	23,160	
Notes receivable		1,072		1,072	
Other noncurrent assets		522		522	
Capital assets:					
Nondepreciable	161	4,616	12,382	17,159	
Depreciable, net	133,781	48,325	9,538	191,644	
Total noncurrent assets	142,991	68,626	21,940	233,557	
Total assets	222,291	71,773	60,430	354,494	151,831
Liabilities and Net Assets					
Liabilities:					
Current liabilities:					
Accounts payable and accrued liabilities	24,942	458	15,505	40,905	2
Accrued interest payable	558	112	6	676	
Due to other funds	17,944		15,568	33,512	1,931
Deferred revenue	20,687	492	678	21,857	
Current portion of long-term liabilities	6,248	613	382	7,243	31,520
Total current liabilities	70,379	1,675	32,139	104,193	33,453
Noncurrent liabilities:					
Capital lease obligations	390		513	903	
Compensated absences	8,891	70	512	9,473	
Claims payable					75,633
Bonds and notes payable, net	127,160	16,627		143,787	
Landfill post closure	649			649	
Other noncurrent liabilities		4,226		4,226	
Total noncurrent liabilities	137,090	20,923	1,025	159,038	75,633
Total liabilities	207,469	22,598	33,164	263,231	109,086
Net Assets:					
Invested in capital assets, net of related debt	1,761	34,935	21,082	57,778	
Restricted for debt service	10,535			10,535	
Restricted for tenant deposits		13,628		13,628	
Restricted			428	428	
Unrestricted	2,526	612	5,756	8,894	42,745
Total net assets	$ 14,822	49,175	27,266	91,263	42,745
Adjustment to reflect the consolidation of Medical Liability ISF activities related to enterprise funds.				1,593	
Net assets of business-type activities (page 26)				$ 92,856	

* Housing Authority Fund reported as of March 31, 2008.

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

(In Thousands)

	Enterprise Funds				
	County Hospital	Housing Authority*	Nonmajor	Total	Internal Service
Operating Revenues:					
Use of money and property	$ 1,421		3,975	5,396	
Charges for services	270,094	5,406	153,110	428,610	63,564
Other revenue		1,367	379	1,746	
Total operating revenues	271,515	6,773	157,464	435,752	63,564
Operating Expenses:					
Salaries and employee benefits	229,097	10,526	13,305	252,928	
Services and supplies	103,182		173,372	276,554	12,286
Benefit and claim expense					26,846
Other charges	242	83,511	5,642	89,395	
Expenditure transfers			192	192	
Depreciation	8,519	3,650	1,733	13,902	
Total operating expenses	341,040	97,687	194,244	632,971	39,132
Operating income (loss)	(69,525)	(90,914)	(36,780)	(197,219)	24,432
Nonoperating Revenues (Expenses):					
State and federal grants	22,604	92,233	30,576	145,413	
Investment income			2	2	5,992
Interest income		453		453	
Interest expense	(10,765)	(1,032)	(64)	(11,861)	
Other charges		(130)		(130)	
Total nonoperating revenue (expenses)	11,839	91,524	30,514	133,877	5,992
Income (Loss) before Capital Contributions and Transfers	(57,686)	610	(6,266)	(63,342)	30,424
Capital contributions	5,941	1,298		7,239	
Transfers in	56,583		5,765	62,348	4,000
Transfers out	(11,790)		(624)	(12,414)	(102)
Change in net assets	(6,952)	1,908	(1,125)	(6,169)	34,322
Total Net Assets at Beginning of the Year, as Previously Reported	21,774	49,098	28,391	99,263	8,423
Adjustments to beginning net assets (Note 2)		(1,831)		(1,831)	
Total Net Assets at Beginning of the Year, as Restated	21,774	47,267	28,391	97,432	8,423
Total Net Assets at End of Year	$ 14,822	49,175	27,266	91,263	42,745

Reconciliation of enterprise funds change in net assets to statement of activities:

Change in net assets of enterprise funds.	$ (6,169)
Adjustment to reflect the consolidation of Medical Liability ISF activities related to enterprise funds.	2,344
Change in net assets of business-type activities (page 21)	$ (3,825)

* Housing Authority Fund reported as of March 31, 2008.

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(In Thousands)

	Enterprise Funds				
	County Hospital	Housing Authority*	Nonmajor	Total	Internal Service
Cash Flows from Operating Activities:					
Cash received from customers/other funds	$ 258,658	5,649	151,027	415,334	62,672
Cash payment to suppliers for goods and services	(95,210)	(83,387)	(183,630)	(362,227)	(47,140)
Cash payment to employees for services	(227,443)	(10,526)	(13,113)	(251,082)	
Net Cash Provided by (Used for) Operating Activities	(63,995)	(88,264)	(45,716)	(197,975)	15,532
Cash Flows from Noncapital Financing Activities:					
State and federal grants	22,604	92,028	30,576	145,208	
Interest received		10		10	
Issuance of debt		(43)		(43)	
Debt payments		175		175	
Transfers in	56,583		5,765	62,348	4,000
Transfers out	(11,790)		(624)	(12,414)	(102)
Net Cash Provided by Noncapital Financing Activities	67,397	92,170	35,717	195,284	3,898
Cash Flows from Capital and Related Financing Activities:					
Issuance of debt	114,817			114,817	
Proceeds from sale of capital assets					
Capital contributions	5,941	1,298		7,239	
Acquisition and construction of capital assets	(6,950)	(1,756)	(1,257)	(9,963)	
Interest paid	(10,434)	(954)	(58)	(11,446)	
Lease purchase obligation principal payment	(242)		(311)	(553)	
Principal paid on debt	(119,229)	(290)		(119,519)	
New debt premium - cost of issuance/deferred Charges	(1,078)			(1,078)	
Landfill post closure liability	133			133	
Net Cash Used for Capital and Related Financing Activities	(17,042)	(1,702)	(1,626)	(20,370)	
Cash Flows from Investing Activities:					
Interest received on investments		484	2	486	5,992
Net Cash Used for Investing Activities		484	2	486	5,992
Net Increase (Decrease) in Cash and Cash Equivalents	(13,640)	2,688	(11,623)	(22,575)	25,422
Cash and Cash Equivalents at Beginning of Year	56,490	13,282	28,187	97,959	121,516
Cash and Cash Equivalents at End of Year	$ 42,850	15,970	16,564	75,384	146,938

(continued)

COUNTY OF CONTRA COSTA

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(In Thousands)

	Enterprise Funds				
	County Hospital	Housing Authority*	Nonmajor	Total	Internal Service
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:					
Operating income (loss)	$ (69,525)	(90,914)	(36,780)	(197,219)	24,432
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities:					
Depreciation and amortization	8,519	3,650	1,733	13,902	
Changes in operating assets and liabilities:					
Decrease (increase) in:					
Accounts receivable and accrued revenue, net	(9,476)	114	3,450	(5,912)	(541)
Inventories	91		(38)	53	
Due from other funds	(7,130)		(9,881)	(17,011)	(393)
Prepaid items and deposits	(97)	(98)	(124)	(319)	
Increase (decrease) in:					
Accounts payable and accrued liabilities	(5,039)	(1,167)	(5,533)	(11,739)	(8,700)
Due to other funds	14,194	(1)	1,614	15,807	734
Deferred revenue	3,749	(145)	(233)	3,371	
Tenants deposit		(1)		(1)	
Compensated absences	719	16	76	811	
FSS escrows		(104)		(104)	
Accrued salaries		83		83	
Post retirement benefits		303		303	
Net Cash Provided by (Used for) Operating Activities	$ (63,995)	(88,264)	(45,716)	(197,975)	15,532
Noncash capital financing activities					
Change in accrued interest	$ 583		6		
Debt amortization	914				

(concluded)

* Housing Authority Fund reported as of March 31, 2008.

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

JUNE 30, 2008

(In Thousands)

	Pension Trust*	Investment Trust	Private-Purpose Trust	Agency
Assets:				
Cash and investments	$ 218,171	1,196,572	13,077	$ 134,801
Cash collateral - securities lending	420,834			
Investments pension trust				
Stocks	2,622,477			
Bonds	1,997,854			
Real estate	449,531			
Alternative investments	189,479			
Receivables	461,600	4,069	232	101,114
Due from other funds				
Due from other governments	8,196			8,808
Taxes receivable				254,796
Prepaid items and deposits	560			
Capital assets, net	1,745			
Total assets	6,370,447	1,200,641	13,309	$ 499,519
Liabilities:				
Warrants outstanding		62,652		$ 24,824
Accounts payable and accrued liabilities	747,594	9,811	68	123,305
Employee benefits payable	2,903			
Due to other governments				143,303
Security lending	420,834			
Unapportioned taxes				103,103
Tax loss guarantees				45,174
Due to other agencies and districts				59,810
Total liabilities	1,171,331	72,463	68	$ 499,519
Net Assets:				
Held in trust for:				
Employees' pension benefits	5,199,116			
Participation in individually directed investment accounts		1,128,178	13,241	
Total net assets	$ 5,199,116	1,128,178	13,241	

* Pension Trust Fund reported as of December 31, 2007.

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(In Thousands)

	Pension Trust*	Investment Trust	Private-Purpose Trust
Additions:			
Employer contributions	$ 196,929		
Plan member contributions	75,591		
Contributions to investment accounts		3,550,549	
Other revenue			15,425
Net investment income	333,989	13,972	157
Investment expense	(26,322)		
Total additions	580,187	3,564,521	15,582
Deductions:			
Benefits paid	235,656		
Refunds of contributions	3,113		
Distribution from investment accounts		3,798,727	
Administrative and other expenses	5,942		857
Prepayment discount	7,031		
Other	339		16,305
Total deductions	252,081	3,798,727	17,162
Change in net assets	328,106	(234,206)	(1,580)
Net Assets Held In Trust at Beginning of Year	4,871,010	1,362,384	14,821
Net Assets Held In Trust at End of Year	$ 5,199,116	1,128,178	13,241

*Pension Trust Fund reported as of December 31, 2007.

See accompanying notes to the basic financial statements.

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County of Contra Costa conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. The following is a summary of the more significant policies:

A. Definition of Reporting Entity

The county is a political subdivision created by the state of California. As such, it can exercise powers specified by the constitution and statutes of the state. The county is governed by a five member elected Board of Supervisors (the Board). The Board is responsible for the legislative and executive control of the county. The county provides various services on a countywide basis including law and justice, education, detention, social, health, hospital, fire protection, road construction, road maintenance, transportation, park and recreation facilities, elections and records, communications, planning, zoning, and tax collection.

The governmental reporting entity consists of the county (primary government) and its component units. Component units are legally separate organizations for which the Board is financially accountable or other organizations whose nature and relationship with the county are such that exclusion would cause the county's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (i) the county's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the county.

The basic financial statements include both blended and discretely presented component units. The blended component units, although legally separate entities are, in substance, part of the county's operations and so data from these units are combined with data of the primary government. The discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements since it does not have a shared governing body nor is it of exclusive or almost exclusive benefit to the primary government.

For financial reporting purposes, the county's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the county's Board.

Blended Component Units

Housing Authority of the County of Contra Costa

The Housing Authority of the County of Contra Costa (Housing Authority) was established to provide housing for the county's low and moderate income residents. Its board members are the same as the county Board of Supervisors. The financial activities of the Housing Authority are reported as an enterprise fund. The fiscal year of the Housing Authority ends on March 31st and its financial activities are reported as of that date. The Housing Authority has two discretely presented component units that have been blended with the Housing Authority in this report. The discretely presented component units have fiscal year ends of December 31. Their financial statements have been adjusted to March 31 for inclusion in the Housing Authority statements.

Contra Costa County Redevelopment Agency

The Contra Costa County Redevelopment Agency (RDA) was established for the purpose of redeveloping certain areas of the county designated as project areas. Its board members are the same as the county Board of Supervisors. The financial activities of the RDA are included in the special revenue, debt service, and capital projects funds and are reported as nonmajor governmental funds.

County of Contra Costa Public Facilities Corporation

The County of Contra Costa Public Facilities Corporation (PFC) was established to provide financing for the acquisition, construction, improvement and remodeling of public buildings and facilities for the county. The county appoints a voting majority of the governing board and is able to impose its will on the PFC. The County Hospital Enterprise Fund includes activities of the PFC.

County of Contra Costa Public Financing Authority

The County of Contra Costa Public Financing Authority (PFA) is a joint powers authority consisting of the county and the RDA. The PFA was established to provide for the financing of public improvements, obligations, working capital and liability or other insurance programs of the county and the RDA. The members of the county Board of Supervisors also serve as the Directors of the PFA. The activities of the PFA are included in a debt service fund, which is reported as part of the nonmajor governmental funds, and in the County Hospital Enterprise Fund.

Contra Costa County Employees' Retirement Association

The Contra Costa County Employees' Retirement Association (CCCERA) was established to provide retirement benefits to employees of the county and other member agencies. The CCCERA provides a majority of its services for the benefit of the county and, therefore, is reported as a pension trust fund in the basic financial statements. The fiscal year of the CCCERA ends on December 31st and its financial activities are reported as of that date.

In-Home Supportive Services Public Authority

The Contra Costa County Board of Supervisors, pursuant to Welfare and Institutions Code Section 12301.6, established the In-Home Supportive Services Public Authority (IHSS). IHSS provides screening, training and referral of in-home supportive service providers and assists eligible individuals, who are unable to care for themselves at home, in finding qualified persons to assist them. Its board members are the same as the county Board of Supervisors. The activities of the IHSS are included in a special revenue fund which is reported as part of the nonmajor governmental funds.

Special Districts and Service Areas

The county has 37 agencies referred to as county special districts and service areas. Each is established by the county for the purpose of providing specific services in a defined geographic area. Their board members are the same as the county Board of Supervisors. The 37 agencies and the special revenue fund in which each is included are: Contra Costa County Fire Protection District; Other Fire Protection – Crockett-Carquinez Fire Protection District and East Contra Costa County Fire Protection District; Flood Control - Flood Control District, Storm Drainage District, Storm Drain District Nos. Z-16 and Z-19; Health

and Sanitation - Sanitation District No. 6; Service Areas - Service Areas D-2, EM-1, L-100, LIB-2, LIB-10, LIB-12, LIB-13, M-1, M-16, M-17, M-20, M-23, M-28, M-29, M-30, M-31 R-4, R-7A, R-9, R-10, RD-4 and Discovery Bay West Parking District; Law Enforcement - Service Areas P-1, P-5 and P-6, P-2A, Public Transit-Service Area T1, P-2B; Other Special Revenue - Contra Costa County Water Agency. These special revenue funds are reported as nonmajor governmental funds, with the exception of the Contra Costa County Fire Protection District, which is reported as a major governmental fund.

Discretely Presented Component Unit

First 5 Contra Costa Children and Families Commission

The First 5 Contra Costa Children and Families Commission was established to implement the provisions of Proposition 10, adopted by the voters in 1998. Proposition 10 added Division 108 (commencing with California Government Code Section 130100) to the California Health and Safety Code. It provides for a state tax on the sale of tobacco products and also provides that this revenue be spent for early childhood development programs by the Commission. The county Board of Supervisors originally appointed all nine members (and nine alternate members) of the Commission. One member of the Board of Supervisors serves on the Commission. However, the Commission hires its own employees, including an Executive Director and functions independent of the county. The Commission provides most of its services directly to the citizens of the county. The financial activity of the Commission is reported in separate columns on the government-wide financial statements.

Complete audited financial statements are issued separately for each of the individual component units listed below and may be obtained at the unit's administrative offices as follows:

Housing Authority of the County of Contra Costa
3133 Estudillo Street, Martinez, CA 94553

County of Contra Costa Public Facilities Corporation
1220 Morello Ave., Suite 100, Martinez, CA 94553

County of Contra Costa Public Financing Authority
651 Pine Street, 6th Floor, Martinez, CA 94553

Contra Costa County Redevelopment Agency
2530 Arnold Drive, Suite 190, Martinez, CA 94553

Contra Costa County Employees' Retirement Association
1355 Willow Way, Suite 221, Concord, CA 94520

First 5 Contra Costa Children and Families Commission
1485 Enea Court, Suite 1200, Concord CA 94520

B. New Accounting Pronouncements Implemented During the Year

The county adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB),* improves the relevance and usefulness of financial reporting by (a) requiring systematic, accrual-basis measurement and recognition of OPEB cost (expense) over a period that approximates employees' years of service and (b) providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan.

GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues,* establishes criteria that governments will use to ascertain whether certain transactions should be regarded as sales or as collateralized borrowings. The statement also includes disclosure requirements for future revenues that are pledged or sold.

C. Basis of Presentation

Government-wide Financial Statements

GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, mandate the presentation of two basic government-wide financial statements, the *Statement of Net Assets* and the *Statement of Activities*. The statement of net assets and statement of activities display information about the primary government (the county) and its component units. The statement of net assets and statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. The statement of net assets and statement of activities also distinguish between the *governmental* and *business-type activities* of the county and between the county and its discretely presented component unit. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees charged to external parties.

For presentation in the statement of net assets and statement of activities, all of the internal service fund account balances are allocated to governmental activities except for the medical liability insurance fund which is allocated to business-type activities.

The statement of net assets reports the county's financial and capital resources, including infrastructure, as well as the county's long-term obligations. The difference between the county's assets and liabilities is its net assets. Net assets represent the resources that the county has available for uses in providing services after its debts are settled.

The statement of activities presents a comparison between direct and allocated indirect expenses and program revenues for each function of the governmental activities and each segment of the business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs, including fines and forfeitures, and 2) grants

and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, management has discretion as to which resources to apply. Generally, restricted resources are depleted before unrestricted. However, when prudent, unrestricted resources may be used first.

Fund Financial Statements

The fund financial statements provide information about the county's funds, including fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

The county reports the following as major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the county that are not accounted for through other funds. In addition to general administration, the General Fund includes such activities as public protection, health and sanitation, public assistance, education, and public ways and facilities.

- The *Contra Costa County Fire Protection District (CCCFPD) Special Revenue Fund* accounts for the financial aspect of the fire and emergency medical service activities provided by CCCFPD to nine cities and certain unincorporated areas in the county. As requested by interested parties, the CCCFPD's financial activities have been separated from those of the county's other fire protection districts and are reported as a major fund.

- The *Land Development Special Revenue Fund* reports the growth management related activities of the Building Inspection Department, Public Works Department, and the Conservation and Development Department.

The county reports the following as major enterprise funds:

- The *County Hospital (the Hospital)* accounts for hospital operations involved in providing health services to county residents. Revenues are principally fees for patient services, payments from federal and state programs such as Medicare, Medi-Cal and Short-Doyle, realignment revenues, and subsidies from the General Fund.

- The *Housing Authority* accounts for the financial resources designated for housing and housing assistance to low and moderate income residents of Contra Costa County.

The county reports the following additional fund types:

- *Internal Service Funds* account for the county's self-insurance programs – employee dental insurance, long-term disability insurance, workers' compensation insurance, automotive liability insurance, general liability insurance, state unemployment insurance, medical liability insurance, and special district property insurance, on a cost-reimbursement basis.

- The *Pension Trust Fund* accumulates contributions from the county, its employees and other participating employers, and earnings from the fund's investments. Disbursements are made from the fund for retirement, disability and death benefits (based on a defined benefit formula), and administrative expenses. This fund includes all assets of the CCCERA.

- The *Investment Trust Fund* accounts for the assets of legally separate entities who make directed investments through the County Treasurer. These entities include school and community college districts, other special districts governed by local boards, regional boards and authorities and pass through funds for tax collections for cities. This fund represents the assets, primarily cash and investments, and the related obligation of the county to disburse these monies on demand.

- The *Private-Purpose Trust Fund* accounts for assets held in trust for the benefit of individuals, private organizations, and other governments.

- *Agency Funds* account for assets pending transfer or distribution to individuals, private organizations or other governmental entities held by the county in an agency capacity. Included in these funds are the Unapportioned Taxes Fund and the Tax Losses Reserve Fund, which provide controls necessary for the county to manage property taxes under the Teeter Plan (see section M of this note).

- *OPEB Irrevocable Trust* accounts for assets held in trust to pay post retirement health benefits. The Trust, which consists of assets contributed by the county (and other participating employers), will be administered by the financial officials typically responsible for safeguarding the county's assets. The Trustee shall separately account for all contributions, distributions, payments, expenses, gains and losses attributable to the county and each other employer that participates in the Trust. The fund had nominal balances at June 30, 2008, and consequently, was not included in the Statement of Fiduciary Net Assets.

D. Basis of Accounting

The government-wide, proprietary fund and fiduciary, excluding agency, fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds do not have a measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the county is giving (or receiving) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Agency funds are unlike all other types of funds, reporting only assets and liabilities. So agency funds cannot be said to have a measurement of focus. Since they do not report equity, they cannot present an operating statement reporting changes in equity. They do, however, use the accrual basis of accounting to recognize receivables and payables.

For its business-type activities and enterprise funds, the county has elected under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board or any Accounting Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes accounting principles generally accepted in the United States of America for governmental units. The county has elected not to follow subsequent private-sector guidance of the Financial Accounting Standards Board after November 30, 1989.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. Expenses not meeting this definition are reported as nonoperating expenses.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes are accrued when their receipt occurs within sixty days after the end of the accounting period. All other revenues are accrued if they are both measurable and available within sixty days, except for certain reimbursements related to health care from the state of California and certain state and federal grants which are accrued when their receipt is expected within one year after the end of the accounting period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. Debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are generally recorded when payment is due. However, where resources have been provided during the current year for payment of interest due early in the following year, the expenditure and related liability are accrued. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

E. Cash and Cash Equivalents

For purposes of the accompanying statement of cash flows, the enterprise and internal service funds consider all highly liquid investments with a maturity of three months or less when purchased, their equity in the County Treasurer's internal pool, and cash restricted for repayment of debt or as reserves to be cash equivalents.

F. Investments

Investment transactions are recorded on the trade date. Investments in non-participating, interest-earning investment contracts (certificates of deposit and guaranteed investment contracts) are stated at cost. Other investments are stated at fair value. Fair value is defined as the amount that the county could reasonably expect to receive for an investment in a current sale between a willing buyer and seller and is generally measured by quoted market prices.

Under GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, the Pension Trust Fund reports its investments at fair value. Both realized and unrealized gains and losses on investments are included in its statement of changes in net assets. The fair values of equity and fixed income securities are derived from quoted market prices. The fair values of private market investments are estimated from fair values provided by real estate investment funds, generally using periodic independent appraisals, and alternative investment managers. All investment purchases and sales are recorded on the trade date.

The public school, cemetery, pest control, recreation and park and resource conservation districts within the county are required by legal provisions to maintain their cash and investments with the County Treasurer. The County Treasurer maintains individual directed investment accounts for those districts, and the cash and investments held are included in the Investment Trust Fund.

G. Inventories and Prepaid Items

Inventories are valued at cost, which approximates market. Governmental fund inventories are maintained using the weighted average method. Proprietary fund inventories are maintained using the first-in, first-out method. The costs of governmental fund inventories and proprietary fund inventories are recorded as expenditures/expenses at the time individual items are consumed rather than when purchased. Reported inventories of governmental funds are equally offset by a fund balance reservation to indicate that a portion of the fund balance is not available for future appropriation.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

H. Notes Receivable

Generally loans are either deferred or collected on a residual receipts basis with all remaining principal and interest due on the earlier of the due date of the note or sale or transfer of property. Any repayment of principal or interest is treated as program revenue, the use of which is restricted by federal regulations. As such, notes receivable are recorded with an offset to deferred revenue in the fund financial statements because the amounts are unavailable. The notes receivable balances in the General Fund consist of loans made with funds provided to the county under the U.S. Department of Housing and Urban Development programs. The loans are made to carry out activities for affordable housing and economic development.

I. Prepaid Pension Asset

A prepaid pension asset is created when an employer pays into a retirement plan amounts in excess of its annual required contribution (ARC). The ARC is an actuarially calculated amount that is sufficient to fund future costs and extinguish any existing unfunded actuarial accrued liability (UAAL).

On March 1, 1994, the county made a payment of $333,724,000 to CCCERA from the proceeds of the issuance of pension obligation bonds to reduce the county's UAAL as calculated at that time. On May 1, 2003, the county made another payment of $319,095,000 to CCCERA from the proceeds of an additional issuance of pension obligation bonds to reduce the county's UAAL as recalculated, due primarily to the effect of the enhanced pension granted in 2002.

In 2005, the Contra Costa County Fire Protection District (CCCFPD) issued Series 2005 Pension Obligation Bonds in the principal amount of $129,900,000 to fund CCCFPD's UAAL obligation as of December 31, 2004, to the Contra Costa County Employees' Retirement Association and to prepay CCCFPD's portion of the outstanding Paulson Settlement.

J. Restricted Assets

The county's restricted assets represent cash and investments of the General Fund, County Hospital Enterprise Fund, Permanent Fund, Major Risk Medical Insurance Internal Service Fund, and certain nonmajor governmental funds restricted for debt repayments in accordance with restrictions and limitations of the various bond indentures. The Housing Authority Enterprise Fund's restricted assets represent cash and investments that consist of tenant deposits held in escrow and capital lease funds not yet spent on capital assets. The nonmajor enterprise fund's restricted assets represent funds for Airport capital projects not yet spent. All of the noted cash and investments are included in Note 4.

K. Capital Assets

Capital assets (including infrastructure) are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Contributed fixed assets are valued at their estimated fair market value on the date contributed. Capital assets include public domain (infrastructure) consisting of certain improvements including roads, bridges, water/sewer, lighting systems, drainage systems, and flood control. The capitalization threshold for infrastructure is $25,000. The capitalization threshold for buildings is $100,000. The capitalization threshold for equipment and vehicles is $5,000. Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the activities within the government-wide financial statements, proprietary funds and the Pension Trust Fund.

The estimated useful lives are as follows:

Infrastructure	25-50 years
Buildings	25-40 years
Improvements	10-20 years
Equipment and vehicles	3-20 years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements, which significantly increase values, change capacities or extend useful lives, are capitalized. Upon sale or retirement of fixed assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Interest is capitalized on construction in progress in the proprietary funds in accordance with Statement of Financial Accounting Standards No. 62, *Capitalization of Interest Cost in Situations Involving Certain Tax Exempt Borrowings and Certain Gifts and Grants*. Accordingly, interest capitalized is the total interest cost from the date of the borrowing, net of any allowable interest carried on temporary investments of the proceeds of those borrowings, until the specified asset is ready for its intended use.

L. Bond and Certificate of Participation Discounts, Issuance Costs, and Deferred Amounts on Refundings

In governmental fund financial statements, bond and certificate of participation discounts, issuance costs, and deferred amounts on refundings are recognized in the period incurred. In the government-wide and proprietary fund financial statements, these charges are deferred and amortized over the term of the issuance using the straight-line method, which approximates the effective interest method.

M. Property Tax Levy, Collection, and Maximum Rates

The county is responsible for assessing, collecting, and apportioning property taxes. Taxes are levied for each fiscal year on taxable real and personal property situated in the county. The levy is based on the assessed values as of the preceding January 1st, which is also the lien date. State code requires tax rates to be set no later than the first workday in September unless the Board of Supervisors elects to extend the deadline to October 3rd. Property taxes on the secured roll are due in two installments: November 1st and February 1st and become delinquent after December 10th and April 10th, respectively. Supplemental property taxes are levied based on changes in assessed values between the date of real property sales or construction completion and the preceding assessment date. The additional supplemental property taxes are prorated from the first day of the month following the date of such occurrence. Property taxes on the unsecured roll are due on the lien date (January 1st), and become delinquent if unpaid by August 31st.

Supplementary taxes that have been collected but unapportioned at year-end and unsecured taxes collected in advance are reported as unapportioned taxes in the Unapportioned Taxes Agency Fund. Secured property taxes are recorded as revenue in the fiscal year of the levy. The county apportions secured property tax revenue in accordance with the alternate method of distribution prescribed by the California Revenue and Taxation Code Section 4701 et al (The Teeter Plan). This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll, approximately October 1st of each year.

Under the alternate apportionment method, specified amounts of penalties and interest collected on delinquent secured taxes are held in the Tax Losses Reserve Agency Fund (TLRF). This reserve is used to offset the impact of accumulated delinquency remaining at year-end. The county's management believes that any ownership rights to the TLRF the county may have are effective only upon transfer or to the extent of losses related to the sale of tax defaulted property. The county has the authority to transfer any amounts in the fund that exceed a legally defined threshold, which was $26,508,000 at June 30, 2008. The year-end balance in the TLRF was $45,174,000. Amounts in the TLRF are considered to be held in a custodial capacity for the participants in the county's Teeter Plan.

N. Interfund Transactions

Interfund transactions are reflected as either loan, services provided, reimbursements or transfers. Loans are reported as receivables and payables (as appropriate), are subject to elimination upon consolidation, and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are

reported in the government-wide financial statements as "internal balances." Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

O. Compensated Absences and Sick Leave

Under terms of union contracts and various Board resolutions, county employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation hours. Employees are not reimbursed for accumulated sick leave except management employees who are eligible for a payoff of unused sick leave accruals at resignation. Management employees must have a balance of at least 70.0 percent of their sick leave accruals and have been employed three years or more to be eligible for this benefit. The maximum amount payable under this Sick Leave Incentive Plan is 50.0 percent of accrued sick leave; however, the amount of sick leave payable is considered de minimis. Accordingly, no accrual for sick leave has been made in the accompanying basic financial statements.

Compensated absences as of June 30, 2008, were valued at $53,969,000, which includes $33,490,000 attributable to the General Fund, $6,660,000, attributable to the Special Revenue Funds, $10,823,000 recorded in Enterprise Funds, $93,000 recorded in the Component Unit, and $2,903,000 recorded in the Pension Trust Fund. Amounts attributable to the General Fund, Special Revenue Funds, and Component Unit are expected to be claimed in future periods and paid with future resources from those funds. Accordingly, this liability is reflected in the government-wide statement of net assets. In the proprietary funds and the Pension Trust Fund, compensated absences are recorded as an expense and liability as the benefits accrue to employees. In compliance with GASB Statement No. 16, *Accounting for Compensated Absences*, the amounts reported include estimated employer liability for taxes and workers' compensation premiums.

P. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. FUND EQUITY

A. Restatement of Fund Equity/Net Assets

Housing Authority Enterprise Fund Adjustment

As of April 1, 2007, the Housing Authority's adjustments resulted in a prior period year restatement of $1,831,000. The Housing Authority performed an analysis of capital assets and the associated accumulated depreciation. It was determined that $1,798,000 of original development costs of the Public Housing Program should be 100% depreciated. Therefore, accumulated depreciation was increased by this amount. Further, the Housing Authority's component unit had a reduction of developer fees due to lost tax credits of $33,000.

Summary

The impact of the restatement on net assets at April 1, 2007, is presented below (in thousands):

		Housing Authority Enterprise*
Fund Balances/net assets as previously reported	$	49,098
To increase depreciation to 100% on fully depreciated development costs for the Public Housing Program.		(1,798)
Reduction of developer fees due to lost tax credits.		(33)
Fund Balances/net assets as restated	$	47,267

* Housing Authority Fund reported as of March 31, 2008.

B. Reserve for Prepaid Items and Deposits

Reserves are less than total prepaid items and deposits because the General Fund advanced $196,000 to subgrantees, which will use the funds for federal programs during fiscal year 2008-2009. As funds are spent, the federal government reimburses the county.

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted for all governmental funds except the Public Financing Authority Debt Service Fund, the Assessment Districts Debt Service Fund, and the Assessment Districts Capital Projects

Fund. All annual appropriations lapse at fiscal year end. GAAP serves as the budgetary basis of accounting.

Schedules of revenues, expenditures, and changes in fund balance - budget vs. actual are included in the required supplementary section of this report for the General Fund and all major special revenue funds.

Encumbrance accounting is used in governmental funds. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

B. Deficit Net Assets

At June 30, 2008, governmental activities in the government-wide statement of net assets had unrestricted net assets of $(73,488,000). This deficit is primarily due to the initial recording of the county's net OPEB obligation for the primary government of $158,909,000.

Three internal service funds showed surplus net assets in comparison to prior year net asset deficits. The Workers' Compensation Insurance, County General and Fire Protection, and Medical Liability Insurance funds show surpluses of $17,421,000, $5,336,000 and $1,593,000 respectively, improving upon the deficits of $(7,833,000), $(251,000), and $(751,000) in the June 30, 2007, CAFR. The improvements are attributed to increased contributions to the fund, improvements in investment earnings, and decreases in claims payable and benefit and claim expense.

The Sheriff Law Enforcement Training Center Enterprise Fund (Training Center), which is reported as a nonmajor enterprise fund, reported a year-end deficit of $(455,000). This represents an increase of $127,000 from the June 30, 2007, CAFR and can be attributed mainly to a decrease in Sheriff's Academy enrollment and fees collected. From the inception of the Training Center, the Enterprise Fund has consistently experienced small annual deficits that have accumulated since fiscal year 2001 – 2002, despite diligent efforts to recover program costs through fees and other revenues. In recognition of the countywide benefits of the Training Center, the Board of Supervisors approved a small ongoing General Fund subsidy, and, combined with the continuing efforts of the Sheriff to increase operational efficiency and maximize cost recovery, is expected to eliminate any remaining deficit over time.

The Capital Projects, County Facilities fund deficit of $(9,095,000), represents an increase from the June 30, 2007, CAFR. The increase is due to the Board of Supervisors authorizing in fiscal year 2007 – 2008 an interfund loan from the Land Development Fund for tenant improvements to 300, 400, and 500 Ellinwood Way, Pleasant Hill. There will be no fiscal impact to the county since the Land Development Fund will be repaid in full, with interest accrued at the rate earned on the county's pooled investments.

4. CASH AND INVESTMENTS

	Primary Government		Component Unit	
	Governmental Activities	Business-Type Activities	First 5 Contra Costa Children and Families Commission	Fiduciary Funds
Cash and Investments	$ 444,725	59,419	52,187	7,242,796
Restricted Cash held by fiscal agent	283,684	23,160		
	$ 728,409	82,579	52,187	7,242,796

The cash balances of substantially all funds, except the Pension and Investment Trust Funds, are maintained in the county's internal pool and invested by the County Treasurer. Income from pooled investments is allocated to the funds based on average daily balances. As permitted by the California Government Code, legally separate entities that are not part of the county reporting entity also have individual investment accounts in the County Treasury. These investment accounts are separate from the pool and are reported in the Investment Trust Fund. Specific investments are acquired for those separate entities at their direction and the income from and changes in the value of these investments affect only the entity for which they were acquired. The CCCERA Board directs the investment activity of the Pension Trust Fund.

A. Summary of Cash and Investments

Cash and investments at June 30, 2008 (December 31, 2007, for the Pension Trust Fund and March 31, 2008, for the Housing Authority), are reported as follows (in thousands):

		Deposits and Certificates of Deposits	Investments	Total
From the Statement of Net Assets				
Primary Government	Cash and investments	$ 20,546	483,598	504,144
	Restricted cash and investments	35,355	271,489	306,844
First 5 Contra Costa Children and Families Commission	Cash and investments	52,187		52,187
From the Statement of Fiduciary Net Assets				
Pension Trust Fund	Cash and investments	536	5,476,976	5,477,512
	Cash collateral-securities lending		420,834	420,834
Investment Trust Fund	Cash and investments		1,196,572	1,196,572
Private-Purpose Trust Fund	Cash and investments	6,931	6,146	13,077
Agency Funds	Cash and investments	207	134,594	134,801
Total		$ 115,762	7,990,209	8,105,971

B. Investments (excluding the Pension Trust Fund)

Deposits

Deposits include bank deposits at a carrying amount of $115,226,000. The balance reported by various financial institutions was $124,447,000. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. Of the bank balance, $1,338,000 was covered by federal depository insurance and $123,109,000 was collateralized by the pledging financial institutions as required by California Government Code Section 53652.

According to the California Government Code Section 53601, bank obligations such as certificates of deposit are considered investments. However, in accordance with accounting principles generally accepted in the United States of America, the county has classified certificates of deposit in the amount of $4,827,000 as deposits. Of the certificates of deposit balance, $203,000 was insured and $4,624,000 was collateralized by the pledging financial institutions as required by California Government Code Section 53652.

Under the California Government Code, a financial institution is required to secure deposits in excess of $100,000 made by state or local governmental units by pledging securities held in the form of an undivided collateral pool. The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits. The collateral must be held at the pledging bank's trust department or at another bank, acting as the pledging bank's agent, in the public agency's name. The county may waive collateral requirements for cash deposits, which are fully insured up to $100,000 by the Federal Deposit Insurance Corporation. The county, however, has not waived the collateralization requirements.

The county follows the practice of pooling cash of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash is allocated on a quarterly basis to the various funds based on the quarterly average cash balances. Interest income from cash with fiscal agent is credited directly to the related fund.

Authorized Investments

Under provisions of the county's investment policy, the county may invest in the following:

Bonds and notes issued by local agencies with a maximum maturity of five years. Obligations issued by Agencies or Instrumentalities of the U.S. Government.

State or Municipal Depository Funds, such as the Local Agency Investment Fund (LAIF) or pooled cash investment funds managed by county treasurers.

U.S. Treasury bills, notes, bonds, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

Registered state warrants, treasury notes, or bonds issued by the state of California.

Bonds, notes, warrants, or other evidence of debt issued by a local agency within the state of California, County Treasurer, other local agencies or Joint Powers Agencies.

Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments.

Banker's acceptances with a term not to exceed 270 days, limited to 40% of surplus funds; no more than 30% of surplus funds can be invested in Bankers Acceptances of any single commercial bank.

Prime commercial paper not to exceed 180 days and the highest ranking issued by Moody's Investors Service or Standard & Poor's Corp., limited to 15% of surplus funds; provided that if the average total maturity of all commercial papers does not exceed 31 days up to 30% of surplus funds can be invested in commercial paper.

Negotiable certificates of deposit issued by federally or state chartered banks or associations, limited to not more than 30% of surplus funds.

Repurchase/reverse repurchase agreements of any securities authorized by the California Government Code Sections 5922 and 53601 et seq. Securities purchased under these agreements shall be no less than 102 percent of market value. Securities purchased under reverse repurchase agreements shall be for temporary and unanticipated cash flow needs only.

Medium-term notes (not to exceed two years) of U.S. corporations rated "AAA" or better by Moody's or Standard & Poor's limited to not more than 30% of surplus funds.

Shares of beneficial interest issued by diversified management companies investing in the securities and obligations authorized by this Section (Money Market Mutual Funds); Funds must carry the highest rating of at least two national rating agencies and are limited to not more than 20% of surplus funds.

The Local Agency Investment Fund (LAIF) maintained by the state of California.

Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate or consumer receivable-backed bond with a maximum maturity of five years, securities in this category must be rated AA or better by a national rating service and are limited to not more than 30% of surplus funds.

Notes, bonds, or other obligations that are at all times secured by a valid first-priority security interest.

Monies held by a trustee or fiscal agent and pledged to the payment of security bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements.

Insured demand and savings deposits, provided that deposits in excess of the insured amounts must be 100 percent collateralized by federal securities (Housing Authority).

Insured money market accounts (Housing Authority).

Insured super NOW accounts, provided the deposit in excess of insured amount must be 100 percent collateralized by federal securities (Housing Authority).

Sweep accounts that are 100 percent collateralized by federal securities (Housing Authority).

Funds held under the terms of a trust indenture or other contract or agreement including HUD/PHA annual contributions contract, may be invested according to the provisions of those indentures or contracts.

Collateralized bank deposits with a perfected security interest in accordance with the Uniform Commercial Code (UCC) or applicable federal security regulations.

Risk Disclosures

Interest Rate Risk. As a means of limiting its exposure to losses arising from rising interest rates, the county's investment policy provides that final maturities of securities cannot exceed five years, unless the county Board of Supervisors (Board) has granted express authority to make that investment either specifically or as a part of an investment program approved by the Board no less than three months prior to the investment.

At June 30, 2008, the county (March 31, 2008, for the Housing Authority) excluding CCCERA investments (as of December 31, 2007, which are shown on page 54), had the following investments and maturities (in thousands):

		Investment Maturities				
Investment Type:		Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	Fair Value Total
U.S. Treasury notes & bonds	$	386	20,503	2,948		23,837
U.S. agencies - (FHLB, FNMA, FFCB, FHLMC, Tennessee Valley Authority)		63,975	218,778	14,444		297,197
Corporate notes		10,360	39,880	432		50,672
Municipal bonds		425	1,704			2,129
Asset backed securities		2,462				2,462
Repurchase agreements		306,989				306,989
Commercial paper		370,903				370,903
Negotiable certificates of deposit		166,014				166,014
Guaranteed investment contracts		189,418			38,712	228,130
Mutual funds		152,241				152,241
LAIF		428,869				428,869
CAMP		29				29
Local obligation bond					95	95
Corporate bond		2,998				2,998
Banker's acceptance		59,834				59,834
Total	$	1,754,903	280,865	17,824	38,807	2,092,399

As of June 30, 2008, the portfolio contains $62,975,000 of callable U.S. Agencies, representing 12.72% of investments at June 30, 2008.

Credit Risk. State law limits investments in commercial paper with an A1 and all other investments with an investment grade rating issued by nationally recognized statistical rating organizations (NSROs). The county's policy is to limit its investments in these investment types to the top rating issued by NSROs including raters Standard and Poor's, Fitch Ratings, and Moody's Investors Service.

The following schedule lists the types of investments and the range of credit ratings as rated by Standard and Poor's:

Investment Type:	Fair Value (in thousands)	Quality Rating Range
U.S. Treasury notes, strips, bills	$ 23,837	AAA
Federal Home Loan Bank (FHLB)	143,835	AAA
Federal National Mortgage Association (FNMA)	69,825	AAA
Federal Farm Credit Bank (FFCB)	28,874	A-1+
Federal Home Loan Mortgage-Corp (FHLMC)	41,340	AAA to A-1+
Federal agriculture mortgage	9,281	A-1+
Freddie Mac	1,009	AAA
Fannie Mae	1,013	AAA
Corporate notes	50,672	AAA to A+
Municipal bonds	2,129	AAA to A+
Asset-backed securities	2,462	AAA
Repurchase agreements	306,989	Not rated
Commercial paper	370,903	A-1+ to A-1
Negotiable certificates of deposit	1,000	A-1
Negotiable certificates of deposit	165,014	A-1+ to A-1
Guaranteed investment contracts	189,418	AA to Aa3
Guaranteed investment contracts	38,712	Not rated
Mutual funds	50,913	Aaa/AAAm
Mutual funds	101,328	Not rated
LAIF	428,869	Not rated
CAMP	29	Not rated
Corporate bonds	2,998	A to AA
Banker's acceptance	59,834	A-1+
Local obligation bond	95	Not rated
Tennessee Valley Authority	2,020	Not rated
Total	$ 2,092,399	

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the county will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. There are no county investments in which the securities are held by the investment's counterparty, not in the name of the county.

Concentration of Credit Risk. The Treasurer's investment policies and guidelines permit the county to be invested in any one issuer's investments up to 10% of the county's total assets of the investments held by the county. The investment portfolio contained no concentration of investments in any one entity (other than those issued or guaranteed by the U.S. Government) that represented 10% or more of plan net assets.

Other Financial Instruments

In accordance with California statutes, the county may invest in a wide variety of investment instruments, including asset-backed securities, such as: collateralized mortgage obligations and principal-only strips and forward contracts.

The Treasurer holds principal-only strip instruments for the benefit of some county school districts. Those school districts utilize the services of an independent financial advisor in determining their investment strategy. As of June 30, 2008, the county's portfolio included $1,612,000 of strip investments.

The county's investments with the Local Agency Investment Fund (LAIF), a state of California investment pool, at June 30, 2008, included a portion of the pool funds invested in structured notes and asset-backed securities, as follows:

> Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.
>
> Asset-Backed Securities the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets (such as principal) and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2008, the county had $392,210,000, the Housing Authority (March 31, 2008) had $5,816,000 invested in LAIF and the fiscal agents had $30,843,000 invested in LAIF which had invested 14.72 percent of the pool investment funds in structured notes and asset-backed securities.

The derivative information for the various mutual funds in which the county had investments is not available.

At June 30, 2008 (March 31, 2008, for the Housing Authority), the amount of assets restricted by legal and contractual requirements was as follows (in thousands):

	Governmental Activities		Business-type Activities		
	General Fund	Nonmajor Governmental Funds	County Hospital	Housing Authority	Nonmajor Enterprise Funds
Tax & Revenue Anticipation Notes	$ 180,000				
Lease purchase	1,767	356			
Pension obligation bond		10,593			
Nonexpendable portion of permanent fund		1,729			
Bond proceeds, housing projects, and debt services		71,198			
Public Financing Authority:					
1997 Certificate of participation					
1998 Lease revenue bond		1,845			
1999 Lease revenue bond		1,122			
2001A & 2001B Lease revenue bonds		19			
2003 Lease revenue bond		1,205			
2007A & 2007B Lease revenue bonds		7,298			
2001 Reassessment bond		391			
Pleasant Hill BART bond reserve 1987-1 reserve account		513			
San Ramon bond reserve 1989-1 reserve account		43			
Kensington reserve fund AD 91-1 reserve account		262			
San Pablo bond reserve AD 91-3 reserve account		28			
Pleasant Hill BART RFD 98 reserve account		583			
Norris Canyon 2001-1 reserve account		621			
Pleasant Hill BART RFD 98 construction/ improvement bond		3,767			
Kensington construction/improvement bond AD 91-1		39			
County Hospital Enterprise Fund:					
2007A & 2007B Lease revenue bonds			8,382		
Construction fund			667		
Capital lease funds that have not been spent, operating revenues required by lender, and funds held on behalf of its clients.				14,091	
Restricted program money	305				20
Total restricted assets	$ 182,072	101,612	9,049	14,091	20

County management believes that the county is in compliance with all terms of its debt agreements and all state statute requirements.

C. Pension Trust Fund Deposits and Investment Risk Disclosures

Deposits

At year-end, the carrying amount of CCCERA's cash deposits was $536,000 (which is included in cash equivalents) and the bank balance was $1,107,000. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. Of the bank balance, $100,000 was covered by federal depository insurance, and $1,007,000 was collateralized by the pledging financial institutions as required by Section 53652 of the California Government Code.

Under the California Government Code, a financial institution is required to secure deposits in excess of $100,000 made by state or local governmental units by pledging securities held in the form of an undivided collateral pool. The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure governmental deposits by pledging first deed mortgage notes having an institution's trust department or agent in CCCERA's name.

Investment Stewardship

Except as otherwise expressly restricted by the California Constitution and by law, the CCCERA Board invests the assets of CCCERA through the purchase, holding, or sale of any form or type of instruments, or financial transaction, when prudent, in the informed opinion of the CCCERA Board. In addition, the CCCERA Board has established an investment policy, which places limits on the compositional mix of cash, fixed income, equity securities, alternative investments and real estate investments. CCCERA currently employs external investment managers to manage its assets subject to the guidelines of the investment policy.

As permitted by the Government Code, CCCERA directs the County Treasurer to make specific investments on behalf of CCCERA. Investments made by the County Treasurer are subject to regulatory oversight by the County's Treasury Oversight Committee, as required by the California Government Code Section 27134.

Industry Concentrations of Portfolio Assets

The Board's investment policies and guidelines permit investments in numerous specified asset classes to take advantage of professional investment management advice and a well-diversified portfolio. The investment portfolio contained no concentration of investments in any one entity (other than those issued or guaranteed by the U.S. Government) that represented five percent or more of plan net assets.

Investment Risk

Investments are subject to certain types of risks, including interest rate risk, custodial credit risk, credit quality risk and foreign currency risk. The following describes those risks.

Interest Rate Risk. The fair value of fixed maturity investments fluctuates in response to changes in market interest rates. Increases in prevailing interest rates generally translate into decreases in fair value of those investments. The fair value of interest sensitive instruments may also be affected by the creditworthiness of the issuer, prepayment options, relative values of alternative investments and other general market conditions. Certain fixed maturity investments may have call provisions that could result in shorter maturity periods.

The following schedule is a list of fixed income and short term investments and the related maturity schedule for CCCERA as of December 31, 2007 (in thousands):

	Investment Maturities				
Investment type	Less than 1 year	1-5 years	6-10 years	More than 10 years	Fair Value Total
Collateralized mortgage-backed securities (CMBS)	$ 7	26,179	42,747	215,087	284,020
Collateralized mortgage-obligations			992	174,182	175,174
Commercial paper	25,964				25,964
Corporate bonds	31,607	93,942	116,898	38,741	281,188
Private placements		392,792	56,309	135,800	584,901
Short term investment-fund instruments				164,738	164,738
U.S. Treasury notes & bonds	27,138	37,922	15,875	30,225	111,160
U.S. agencies - (GNMA, FNMA, FHLMC)	23,055	15,384	54,037	478,825	571,301
Total	$ 107,771	566,219	286,858	1,237,598	2,198,446

Custodial Credit Risk. For an investment, custodial credit risk is the risk that an entity will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party if the counter party fails. At year end, CCCERA has no custodial credit risk exposure to borrowers because the collateral exceeded the amount borrowed. The fair value of investments on loan at December 31, 2007, is $434,447,000, which was collateralized by cash in the amount of $420,834,000.

Concentration of Credit Risk. The Board's investment policies and guidelines permit investments in numerous specified asset classes to take advantage of professional investment management advice and a well-diversified portfolio. The investment portfolio contained no concentration of investments in any one entity (other than those issued or guaranteed by the U.S. Government) that represented 5% or more of plan net assets.

Credit Risk. CCCERA's general investment policy is to apply the prudent-person rule. Investments are made as a prudent person would be expected to act, with discretion and for the exclusive purposes of providing benefits, minimizing contributions and defraying reasonable expenses of administering the Trust. Investments should be diversified so as to minimize the risk of loss and to maximize the rate of return unless under the circumstances it is clearly prudent not to do so. Nationally recognized statistical rating organizations provide ratings of debt securities quality based on a variety of factors, for example, the financial condition of the issuers, which provide investors with some idea of the issuer's ability to meet its obligations.

Fixed maturity investments may consist of rated or non-rated securities. Ratings can range from AAA (highest quality) to D (default). Debt securities with ratings of BBB or higher are considered investment grade issues, and debt securities with ratings of BB or lower are non-investment grade issues. Debt securities in the non-investment grade category are more speculative and often referred to as "high-

yield." This is due to the fact that lower rated debt securities generally carry a higher interest rate to compensate the buyer for taking on additional risk.

The following is a schedule of the credit risk ratings of CCCERA's fixed income and short term investments as of December 31, 2007, as rated by Standard and Poor's:

Quality Rating		Fair Value (in thousands)
AAA	$	1,236,209
AA+		66,216
AA		26,104
AA-		15,617
A+		57,785
A		10,934
A-		6,718
BBB+		33,552
BBB		19,135
BBB-		14,197
BB+		70,819
BB		9,793
BB-		20,739
B+		36,765
B		28,665
B-		25,744
CCC+		4,472
CCC		3,227
CCC-		20
CC		14
NR		511,721
Total	$	2,198,446

The following is a schedule of credit quality ratings, by type, of CCCERA's fixed income and short term investments as of December 31, 2007, as rated by Standard and Poor's:

Investment Type	Quality Rating Range
Asset-backed securities*	AAA to AA+
Convertible bonds*	AAA to CCC-
CMBS*	BB+ to B-
Mortgaged backed securities*	AAA to CCC-
Municipals	AAA to AA
Private placements	AAA to BB-
Real estate investment trust*	B+
Repurchase agreement	AAA
Short term*	A-1 to A-1
U.S. agencies*	AAA to AA-
Mutual funds	Not rated

* Investment type contained one or more investments that were not rated.

Foreign Currency Risk. The risk that changes in exchange rates will adversely affect the fair value of an investment. CCCERA's external investment managers may invest in international securities and must follow CCCERA's investment guidelines pertaining to these types of investments. CCCERA's exposure to foreign currency risk is as follows:

Currency		(in thousands)
Australian dollar	$	24,964
Brazilian dollar		7,626
British pound sterling		104,569
Canadian dollar		17,258
Columbian peso		1,796
Czech Koruna		3,685
Danish krone		9,956
Euro		257,098
Hong Kong dollar		24,448
Hungarian forint		5,651
Indonesian rupiah		2,025
Japanese yen		110,681
Mexican peso		5,679
New Zealand dollar		8,697
Norwegian krone		2,154
Polish zloty		890
Russian rouble		3,837
Singapore dollar		10,772
South African rand		4,648
Swedish krona		22,401
Swiss franc		51,639
Total	$	680,474

The following schedule is a list of investments for CCCERA as of December 31, 2007:

Type of Investment		Fair Value (in thousands)
Deposit	$	536
Short term investments held by fiscal agent		634,975
Short term investments held by the county		3,494
Total short term investments		639,005
U.S. government and agency instruments		1,057,796
Private placement bonds		584,901
Domestic corporate bonds		215,734
International bonds		139,423
Total bonds		1,997,854
Domestic stocks		1,931,245
International stocks		691,232
Total stocks		2,622,477
Real estate		449,531
Alternative investments		189,479
Total investments	$	5,898,346

Other Financial Instruments

As permitted by the California Government Code and the investment policy, CCCERA uses forward settlement contracts, forward currency contracts, futures and options contracts and other derivative products within fixed income financial instruments. These derivative financial instruments are used to reduce financial market risks, enhance yields and to participate in all market areas without increasing investment costs. At December 31, 2007, the following derivative financial instruments were held by investment managers:

Various investment managers for CCCERA manage fixed income portfolios that contain derivative type financial investments. These instruments include government and corporate obligations consisting of asset-backed securities, call and put options, floating rate notes, constant maturity index, Adjustable Rate Mortgages (ARMs), Collateralized Mortgage Obligations (CMOs), Collateralized Mortgage Backed Securities (CMBS) and LIBOR Indexed ARMs. The fair value of derivative financial instruments at December 31, 2007, is $1,194,345,000.

PIMCO and Western Asset Management have made investments in forward currency contracts, which are unrecorded commitments to purchase or sell stated amounts of foreign currency. Gains or losses on the disposition of the commitments are recorded at the time of settlement. The fair values of forward contracts are determined by quoted currency prices from national exchanges. As of December 31, 2007, total commitments in forward currency contracts to purchase and sell foreign securities were $212,338,000 and $212,338,000, respectively, with market values of $211,594,000 and $210,768,000 respectively.

Securities Lending by the Employees' Retirement Association (Pension Trust Fund)

The CCCERA's investment policy permits the use of a securities lending program with its principal custodian bank. The CCCERA lends domestic and international bonds and equities to various brokers for collateral that will be returned for the same securities plus a fee in the future. The custodian bank provides loss indemnification to the CCCERA if the borrower fails to return the securities.

The custodian bank manages the securities lending program and receives cash and/or securities as collateral. The collateral cash can be invested and is automatically rolled into a Short Term Investment Fund (STIF). The collateral securities cannot be pledged or sold by the CCCERA without borrower default. Securities on loan must be collateralized at 102.0 percent and 105.0 percent of the fair value of domestic securities plus accrued interest (in the case of debt securities).

There are no restrictions on the amount of securities that can be loaned at one time. CCCERA has the right to terminate any loan in whole or in part by providing the custodian bank with written notice (a "Recall Notice"). Because the loans are terminable at will, the term to maturity of the security loans is generally not matched with the term to maturity of the cash collateral. There were no losses associated with securities lending transactions during the year.

At year end, CCCERA had no credit risk exposure to borrowers because the collateral exceeded the amount borrowed. The fair value of investments on loan at December 31, 2007, is $434,447,000, which was collateralized by cash in the amount of $420,834,000, and has been reported as an asset and liability in the CCCERA Statement of Plan Net Assets.

5. RECEIVABLES

Receivables at year-end of the county's major individual funds, nonmajor, and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows (in thousands):

Governmental Activities	General	CCC Fire Protection District Special Revenue	Land Development Special Revenue	Nonmajor	Internal Service	Total Governmental Activities
Taxes receivable	$ 2,326	1,075		378		3,779
Accounts receivable	182,950	821	49,975	62,696	4,415	300,857
Advances receivable	79					79
Gross receivables	185,355	1,896	49,975	63,074	4,415	304,715
Less: Allowance for uncollectibles	(4)					(4)
Total receivables (net)	$ 185,351	1,896	49,975	63,074	4,415	304,711

Business-type Activities	County Hospital	Housing Authority	Nonmajor	Internal Service	Total Business-type Activities
Accounts receivable	$ 188,137	676	3,685	48	192,546
Gross receivables	188,137	676	3,685	48	192,546
Less: Allowance for uncollectibles	(160,801)				(160,801)
Total receivables (net)	$ 27,336	676	3,685	48	31,745

Governmental funds report deferred revenues in connection with receivables for revenues not considered available to liquidate liabilities of the current period. Governmental and enterprise funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

At June 30, 2008, the various components of deferred revenue and unearned revenue reported were as follows (in thousands):

	Unavailable	Unearned
Governmental Activities:		
General:		
Notes receivable (Community Development Block Grant-CDBG loans)	$ 58,507	
Advances not yet earned		9,757
Other receivables and advances		5,823
Resources received that do not yet meet the criteria for revenue recognition		475
CCC Fire Protection District Special Revenue:		
Resources received that do not yet meet the criteria for revenue recognition	65	
Land Development Special Revenue:		
Other receivables and advances		27,852
Resources received that do not yet meet the criteria for revenue recognition	42	
Nonmajor Governmental:		
Notes receivable	14,280	
Advances not yet earned		760
Other receivables and advances		5,274
Resources received that do not yet meet the criteria for revenue recognition		106
Total Governmental Activities	$ 72,894	50,047
Business-type Activities:		
County Hospital:		
Resources received that do not yet meet the criteria for revenue recognition		$ 20,687
Housing Authority:		
Resources received that do not yet meet the criteria for revenue recognition		492
Nonmajor Enterprise:		
Resources received that do not yet meet the criteria for revenue recognition		678
Total Business-type Activities		$ 21,857

6. INTERFUND TRANSACTIONS

A. Interfund Receivables/ Payables

The composition of interfund balances as of June 30, 2008, is as follows (in thousands):

Due To/From Other Funds:

Receivable Fund	Payable Fund	Amount
General Fund	Land Development Special Revenue Fund	$ 1,587
	CCC Fire Protection District Special Revenue Fund	929
	Nonmajor Governmental Funds	53,193
	County Hospital Enterprise Fund	3,408
	Nonmajor Enterprise Funds	1,172
	Internal Service Funds	1,727
		62,016
CCC Fire Protection District Special Revenue Fund	General Fund	8
	Nonmajor Governmental Funds	999
	Internal Service Funds	65
		1,072
Land Development Special Revenue Fund	General Fund	263
	CCC Fire Protection District Special Revenue Fund	4
	Nonmajor Governmental Funds	12,731
	Internal Service Funds	4
		13,002
Nonmajor Governmental Funds	General Fund	6,602
	Land Development Special Revenue Fund	127
	Nonmajor Governmental Funds	757
	County Hospital Enterprise Fund	50
	Nonmajor Enterprise Funds	4
	Internal Service Funds	68
		7,608
County Hospital Enterprise Fund	General Fund	893
	Land Development Special Revenue Fund	14
	CCC Fire Protection District Special Revenue Fund	22
	Nonmajor Governmental Funds	792
	Nonmajor Enterprise Funds	11,777
	Internal Service Funds	56
		13,554
Nonmajor Enterprise Funds	General Fund	993
	County Hospital Enterprise Fund	14,486
	Nonmajor Enterprise Funds	2,615
		18,094
Internal Service Funds	General Fund	419
	Internal Service Funds	11
		430
Total		$ 115,776

The due to/from other funds account balances primarily resulted from interfund cash transactions recorded after the cash cut-off on June 30, 2008.

B. Advances To/From

Receivable Fund	Payable Fund	Amount
Nonmajor Governmental Funds	Nonmajor Governmental Funds	$ 7,360
Total		$ 7,360

The advances to/from other funds account balances resulted from interfund loans from Other Special Revenue Fund to the RDA.

C. Interfund Transfers

Transfers were made during the year from the General Fund to subsidize the operations of the Hospital, HMO, and Sheriff Law Enforcement Training Center. Other transfers primarily consisted of payments from the various operating funds (principally the General Fund) to debt service funds in accordance with long-term debt covenants. In addition, special revenue funds made transfers to other funds to reimburse eligible costs incurred.

Interfund transfers to/from other funds for the year ended June 30, 2008 were as follows (in thousands):

Transfer From	Transfer To	Amount	Purpose
General Fund	Land Development Special Revenue Fund	$ 1	Transfer of funds for map check costs.
	Nonmajor Governmental Funds	1,968	Transfer a portion of Salaries and Benefits Expense for the Retirement Litigation Settlement.
	Nonmajor Governmental Funds	325	Transfer funds for the Sheriff's Patrol usage of helicopter and communication services.
	Nonmajor Governmental Funds	356	Transfer of funds for purchase of a fire truck.
	Nonmajor Governmental Funds	60	Provide subsidy for Justice Automated Warrant System (JAWS).
	Nonmajor Governmental Funds	17	Transfer funds to Other Special Revenue funds for capital equipment purchase.
	Nonmajor Governmental Funds	1	Transfer funds for sanitation maintenance work to Health and Sanitation fund.
	Nonmajor Governmental Funds	37,534	Transfer a portion of Salaries and Benefits Expense to the Pension Obligation Bond fund.
	County Hospital Enterprise Fund	56,479	Provide subsidy to cover portion of the County Hospital's operation.
	Nonmajor Enterprise Funds	5,641	Provide subsidy to cover a portion of the HMO's operation.
	Nonmajor Enterprise Funds	124	Provide subsidy to cover a portion of Law Enforcement Training Center operation.
	Internal Service Funds	4,000	Transfer funds from the General fund to the Medical Liability Insurance Internal Service fund.
Total		$ 106,506	
Land Development Special Revenue Fund	Nonmajor Governmental Funds	$ 573	Transfer a portion of the Salaries and Benefits Expense to the Pension Obligation Bond fund.
	Nonmajor Governmental Funds	3,129	Transfer funds to Private Activity Bond and Affordable Housing Special Revenue funds to cover the cost of housing acquisition costs.
	Nonmajor Governmental Funds	37	Transfer a portion of Salaries and Benefits Expense for the Retirement Litigation Settlement.
Total		$ 3,739	

(continued)

Transfer From	Transfer To	Amount	Purpose
CCC Fire Protection District Special Revenue Fund	General Fund	$ 785	Transfer the interest earnings to General County revenue per agreement between CAO and CCC Fire Protection District.
Total		$ 785	
Nonmajor Governmental Funds	General Fund	$ 22	Transfer funds from the District Attorney's Real Estate Fraud Fund to General Services Fleet Operations to purchase a new car.
	General Fund	82	Transfer of Vehicle License Fee Securitization funds into the General fund.
	General Fund	9,969	Transfer of Mental Health Services Act revenues for Fiscal Year 2007 - 2008.
	General Fund	20	Transfer of funds for stale dated warrants.
	General Fund	11	Transfer of interest earned on CDBG for remittance to Housing Urban Development.
	General Fund	6	Transfer funds for creation of the North Richmond Communities Facilities District establishment.
	CCC Fire Protection District Special Revenue Fund	192	Transfer funds from the Contra Costa Fire Protection District pension obligation bond to the Fire Pension Obligation Bond Stabilization fund.
	CCC Fire Protection District Special Revenue Fund	161	Transfer of Measure H funds to reimburse for Emergency Medical Services medical equipment.
	CCC Fire Protection District Special Revenue Fund	193	Transfer of Measure H funds for paramedic costs and oversight activities.
	Nonmajor Governmental Funds	1,829	Transfer a portion of Salaries and Benefits Expense to the Pension Obligation Bond fund.
	Nonmajor Governmental Funds	1,544	Transfer of RDA funds to debt service.
	Nonmajor Governmental Funds	17	Transfer of CSA EM-a Measure H funds to reimburse for EMS medical equipment.
	Nonmajor Governmental Funds	112	Transfer a portion of Salaries and Benefits Expense for the Retirement Litigation Settlement.
	Nonmajor Governmental Funds	50	Transfer funds to Contra Costa County Special District 5 for treatment facility upgrades.
	Nonmajor Governmental Funds	270	Transfer National Pollution Discharge Elimination funds to support Road fund.
	Nonmajor Governmental Funds	356	Transfer of funds to close El Sobrante RDA project area.
	Nonmajor Governmental Funds	300	Transfer funds to the Dougherty Station Library from the County Service Area M-29 revenue per reimbursement agreement.
	Nonmajor Governmental Funds	564	Transfer of funds from Public Financing Authority to Assessment District Debt Service funds.

(continued)

Transfer From	Transfer To	Amount	Purpose
	Nonmajor Governmental Funds	94	Transfer funds from the Permanent fund to the library.
	County Hospital Enterprise Fund	104	Transfer of PFA funds to the excrow funds for the County Hospital Enterprise.
Total		$ 15,896	
County Hospital Enterprise Fund	General Fund	$ 1,624	Transfer revenue from the sale of 550 School Street for new Richmond Clinic.
	Nonmajor Governmental Funds	9,220	Transfer a portion of the Salaries and Benefits Expense to the Pension Obligation Bond fund.
	Nonmajor Governmental Funds	337	Transfer deposit of proceeds into the Public Financing Authority escrow account.
	Nonmajor Governmental Funds	609	Transfer a portion of the Salaries and Benefits Expense for the Retirement Litigation Settlement.
Total		$ 11,790	
Nonmajor Enterprise Funds	Nonmajor Governmental Funds	$ 591	Transfer a portion of the Salaries and Benefit Expense to the Pension Obligation Bond fund.
	Nonmajor Governmental Funds	33	Transfer a portion of the Salaries and Benefit Expense for the Retirement Litigation Settlement.
Total		$ 624	
Internal Service Funds	General Fund	$ 5	Transfer funds from General Liability for a liability claim by County Assessor's Department.
	General Fund	85	Transfer funds from General Liability for a liability claim by the Sheriff's Department.
	General Fund	12	Transfer funds from General Liability for county labor and equipment expenses to the Public Works Department.
Total		$ 102	

(concluded)

The county pays a subsidy to the County Hospital, Health Maintenance Organization and Sheriff Law Enforcement Training Center Enterprise Funds to provide resources for operating costs which are in excess of operating revenues. Subsidies for the past three years are as follows (in thousands):

Year End June 30	Total Subsidy
2006	$44,837
2007	59,749
2008	62,244

7. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2008 (March 31, 2008, for the Housing Authority), was as follows (in thousands):

	Balance July 1, 2007	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2008
Governmental Activities:					
Capital assets, not being depreciated:					
Land	$ 68,107	5,299			73,406
Construction in progress	55,306	21,319		(17,393)	59,232
Total capital assets, not being depreciated	123,413	26,618		(17,393)	132,638
Capital assets, being depreciated:					
Infrastructure	366,265	33,050		1,555	400,870
Structures and improvements	583,406	33,946	(1,991)	15,838	631,199
Equipment	126,886	12,908	(3,663)	37	136,168
Total capital assets, being depreciated	1,076,557	79,904	(5,654)	17,430	1,168,237
Less accumulated depreciation for:					
Infrastructure	(100,109)	(7,760)			(107,869)
Structures and improvements	(294,897)	(19,309)	1,761		(312,445)
Equipment	(80,417)	(10,410)	3,280	(32)	(87,579)
Total accumulated depreciation	(475,423)	(37,479)	5,041	(32)	(507,893)
Total capital assets, being depreciated, net	601,134	42,425	(613)	17,398	660,344
Governmental activities capital assets, net	$ 724,547	69,043	(613)	5	792,982

	Balance July 1, 2007 (as restated)	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2008
Business-type Activities:					
Capital assets, not being depreciated:					
Land	$ 12,816				12,816
Construction in progress	4,457	1,393		(1,507)	4,343
Total capital assets, not being depreciated	17,273	1,393		(1,507)	17,159
Capital assets, being depreciated:					
Structures and improvements	326,415	5,810	(624)	1,507	333,108
Equipment	38,856	2,828	(3,941)	(37)	37,706
Total capital assets, being depreciated	365,271	8,638	(4,565)	1,470	370,814
Less accumulated depreciation for:					
Structures and improvements	(142,431)	(11,011)	527		(152,915)
Equipment	(27,271)	(2,891)	3,875	32	(26,255)
Total accumulated depreciation	(169,702)	(13,902)	4,402	32	(179,170)
Total capital assets, being depreciated, net	195,569	(5,264)	(163)	1,502	191,644
Business-type activities capital assets, net	$ 212,842	(3,871)	(163)	(5)	208,803

At July 1, 2007, the county, particularly Housing Authority, made the following restatements to business-type capital assets and depreciation (in thousands):

Business-type activities capital assets as reported in the prior year:	$214,640
Record adjustments to accumulated depreciation for structures and improvements	($1,798)
Business-type activities capital assets as restated - July 1, 2007	$212,842

Component Unit:	Balance July 1, 2007	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2008
Capital assets, not being depreciated:					
Land	$ 246				246
Total capital assets, not being depreciated	246				246
Capital assets, being depreciated:					
Structures and improvements	667				667
Equipment		95			95
Total capital assets, being depreciated	667	95			762
Less accumulated depreciation for:					
Structures and improvements	(4)	(25)			(29)
Equipment		(10)			(10)
Total accumulated depreciation	(4)	(35)			(39)
Total capital assets, being depreciated, net	663	60			723
Component unit capital assets, net	$ 909	60			969

The Pension Trust Fund had net capital assets of $1,745,000. This consisted of servers, equipment, furniture, and leasehold improvements.

Depreciation

Depreciation expense was charged to governmental functions as follows (in thousands):

General government	$ 20,945
Public protection	10,025
Health and sanitation	224
Public assistance	477
Education	316
Public ways and facilities	5,217
Recreation and culture	275
Total depreciation expense - governmental functions	$ 37,479

Depreciation expense was charged to the business-type functions as follows (in thousands):

County Hospital	$ 8,519
Housing Authority	3,650
Nonmajor Enterprise Funds	1,733
Total depreciation expense - business-type functions	$ 13,902

8. SHORT-TERM NOTES PAYABLE

On June 30, 2008, the county had tax and revenue anticipation notes outstanding in the amount of $180,000,000 with interest at 4.0 percent per annum. The notes were issued November 15, 2007, and will be redeemed December 5, 2008. The initial interest is payable on November 14, 2008, and the final interest is payable on December 5, 2008. The county redeemed the December 12, 2006, issue of $110,000,000 on December 11, 2007. The redemption monies were from taxes and other revenues transferred to a fiscal agent during the fiscal year. Total interest incurred on these notes during fiscal year 2007-2008 was $6,732,000.00. These notes were issued to finance seasonal cash flow requirements for fiscal year ended June 30, 2008.

(In Thousands)

	Balance July 1, 2007	Additions	Retirements	Balance June 30, 2008
$	110,000	180,000	110,000	180,000

9. PAYABLES

Accounts payable and accrued liabilities at year-end were as follows (in thousands):

Governmental Activities	General	CCC Fire Protection District Special Revenue	Land Development Special Revenue	Nonmajor	Internal Service	Total Governmental Activities
Accounts payable	$ 25,632	986	881	13,418	2	40,919
Accrued payroll	40,277	6,124	1,066	4,006		51,473
Total accounts payable and accrued liabilities	$ 65,909	7,110	1,947	17,424	2	92,392

Business-type Activities	County Hospital	Housing Authority	Nonmajor	Total Business-type Activities
Accounts payable	$ 6,195	332	14,443	20,970
Accrued payroll	18,747	126	1,062	19,935
Total accounts payable and accrued liabilities	$ 24,942	458	15,505	40,905

10. LEASES

A. Operating Leases

Total rental expense for the year ended June 30, 2008 (March 31, 2008, for the Housing Authority), for all operating leases and month-to-month lease arrangements amounted to: $10,712,000 for the General Fund; $84,000 for the CCC Fire Protection District Special Revenue Fund; $1,489,000 for the nonmajor governmental funds; $20,000 for the Land Development Special Revenue Fund; $3,852,000 for the County Hospital Enterprise Fund; and $286,000 for nonmajor enterprise funds.

At June 30, 2008 (March 31, 2008, for the Housing Authority), the future minimum rental payments required under non-cancelable operating leases for buildings and equipment, other than month-to-month lease arrangements, are as follows (in thousands):

Fiscal Year Ending June 30		Governmental Activities	Business-type Activities
2009	$	5,895	124
2010		4,827	100
2011		4,235	100
2012		2,739	100
2013		898	100
2014-2018		1,241	400
2019-2023		78	
Thereafter		1,191	
	$	21,104	924

B. Capital Leases

The county has capital lease purchase agreements for various county buildings, improvements, and equipment. The assets acquired under those lease purchase agreements are included in the county's capital assets. The costs of these assets for both governmental and business-type activities were $12,469,000 for buildings and improvements and $11,102,000 for equipment. The obligations related to those lease purchase agreements are included in the county's long-term obligations (see Note 11).

The following is a schedule of future minimum lease payments under capital leases together with the present value of future minimum lease payments as of June 30, 2008 (in thousands):

Fiscal Year Ending June 30		Governmental Activities	Business-type Activities
2009	$	3,988	497
2010		3,774	497
2011		2,857	319
2012		1,375	141
2013		593	
2014-2018		1,206	
2019-2023		310	
Total		14,103	1,454
Less: Amount representing interest		(1,625)	(108)
Present value of future minimum lease payments	$	12,478	1,346

C. Leases of County-Owned Property

The county has non-cancelable operating leases of property to others for various operations including recreational, commercial, airport and governmental purposes. Rental income for the year ended June 30, 2008, amounted to $1,307,000 for the General Fund, $344,000 for nonmajor governmental funds, $47,000 for the County Hospital Enterprise Fund and $3,384,000 for nonmajor enterprise funds.

The leased assets included both land and buildings for both governmental and business-type activities. The net book value of the leased buildings was $10,100,000; including cost of $20,950,000 and accumulated depreciation of $10,850,000. The land leases were primarily associated with business-type activities at the Airport. The cost of the land associated with these leases is indeterminate, as the leased land is a small percentage of Airport land asset.

The following is a schedule of future minimum rental receipts on non-cancelable lease agreements, not including month-to-month lease agreements, as of June 30, 2008 (in thousands):

Fiscal Year Ending June 30		Governmental Activities	Business-type Activities
2009	$	363	2,100
2010		343	2,080
2011		296	2,038
2012		233	1,761
2013		142	1,673
2014-2018		12	7,824
2019-2023			6,728
2024-2028			6,235
2029-2033			6,061
2034-2038			4,795
2039-2043			2,788
2044-2048			299
	$	1,389	44,382

11. LONG-TERM OBLIGATIONS

The following is a summary of long-term liabilities transactions for the year ended June 30, 2008 (in thousands):

	Balance July 1, 2007	Additions	Retirements	Principal[9] Adjustments	Balance June 30, 2008	Amounts Due Within One Year
Governmental Activities						
Compensated absences	$ 37,798	34,800	(32,448)		40,150	4,015
Claims payable	108,861	18,150	(25,535)		101,476	30,680
Net OPEB obligation (Note 16)		158,909			158,909	20,000
Retirement litigation settlement debt service	24,809		(775)		24,034	837
Capital leases	13,444	2,375	(3,341)		12,478	3,428
Pension bonds payable	643,990		(24,855)		619,135	30,215
Notes payable	788	1,332	(112)	(526)	1,482	98
Other bonds payable	4,015		(365)		3,650	390
Lease revenue bonds	174,633	35,285	(10,846)	(36,686)	162,386	9,423
Tax allocation bonds	133,105		(815)		132,290	1,410
Special assessments	12,389		(649)		11,740	665
Environmental remediation [10]		2,250	(500)		1,750	1,750
Total government funds-gross	1,153,832	253,101	(100,241)	(37,212)	1,269,480	102,911
Capitalized premiums, discounts and deferred amounts on refundings	(822)	2,168	(159)	(75)	1,112	156
Total governmental activities - Long-term obligations - net	$ 1,153,010	255,269	(100,400)	(37,287)	1,270,592	103,067
Business-type activities						
Compensated absences	$ 10,013	10,053	(9,243)		10,823	1,350
Medical liability claims payable	6,988		(1,311)		5,677	840
Capital leases	1,899		(553)		1,346	443
Certificates of participation-net	112,845		(112,845)			
Notes payable	17,224	1,628	(289)		18,563	308
Other non-current liabilities	3,938	288			4,226	
Landfill post closure and closure liability[1]	516	238	(105)		649	
Lease revenue bonds payable	33,037	74,980	(6,384)	36,686	138,319	5,967
Total enterprise funds-gross	186,460	87,187	(130,730)	36,686	179,603	8,908
Capitalized premiums/discounts	(9,895)	(9,368)	11,543	75	(7,645)	(825)
Total business-type activities - Long-term obligations - net	$ 176,565	77,819	(119,187)	36,761	171,958	8,083
Component unit						
Compensated absences	$ 88	75	(70)		93	9

Individual issues of bonds and notes outstanding at June 30, 2008, are as follows (in thousands):

Type of indebtedness (purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2008
Governmental activities					
Pension obligation bonds [4],[5]:					
2001 Issue/Remaining 1994 Issue	2014	5.55-6.80%	$ 15,915-33,280	$ 313,640	$ 170,275
2003 Issue	2022	3.98-5.14	0-44,925	322,710	322,710
2005 CCCFPD Issue	2022	4.11-5.06	1,620-10,900	129,900	126,150
					619,135
Lease revenue bonds [8]:					
1998 Lease revenue	2025	3.80-5.15	525-1,745	24,695	19,690
1999 Lease revenue	2028	4.00-5.25	1,095-3,350	66,560	22,448
2001A Lease revenue	2026	3.15-4.15	335-900	13,905	3,380
2001B Lease revenue	2017	4.25-5.20	80-365	5,258	566
2002A Lease revenue	2027	2.75-5.00	155-760	12,650	3,895
2002B Lease revenue	2019	2.00-4.60	930-2,090	25,440	13,670
2003A Lease revenue	2028	2.00-5.00	365-1,240	18,500	7,885
2007A Lease revenue	2028	4.00-5.00	0-13,294	95,544	58,169
2007B Lease revenue	2018	5.00	11,704,525	40,337	32,683
					162,386
Tax allocation bonds [3]:					
1999 Tax allocation bond	2029	4.00 - 5.125	475 - 3,250	44,615	21,015
2003A Tax allocation bond	2034	3.00 - 5.85	375 - 5,055	43,345	6,905
2007A Tax allocation bond	2037	4.00 - 5.00	305 - 6,945	87,705	87,705
2007B Tax allocation bond	2037	4.00 - 5.00	260 - 1,090	16,665	16,665
					132,290
Special assessment debt with government commitment [6]:					
Kensington 91-1	2013	5.25-6.00	150-300	4,684	920
Pleasant Hill BART 93-5	2015	5.44-6.93	55-140	1,530	785
Pleasant Hill BART CFD 92-1	2016	8.00	7-14	171	95
Pleasant Hill BART CFD 98-1	2017	4.20-5.10	135-3,075	4,785	3,335
Norris Canyon 2001-1	2032	4.10-6.10	110-495	7,220	6,605
					11,740
Other bonds payable [2]:					
CCC PFA revenue bonds 2001	2017	4.00-5.69	360-570	6,575	3,650
Notes payable [7]:					
State Energy Commission	2009	3.00	9-48	315	48
State Energy Commission	2010	3.00	12-52	385	102
State Energy Commission	2025	3.95	68-122	1,332	1,332
					1,482
Total governmental activities					$ 930,683

Type of indebtedness (purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2008
Business-type activities					
Notes payable [7]:					
Westamerica note	2017	4.33%	50-161	$ 1,570	$ 1,192
California Housing Finance Agency	2025	7.8	5-50	600	484
Housing Authority Office Building	2017	7.25	8-2,282	2,848	2,798
Rental Housing Construction Program	2055	3.00		2,627	2,627
California Community Reinvestment Corp	2023	6.60	9-6,443	10,115	9,834
State Energy Commission	2025	3.95	83-149	1,628	1,628
					18,563
Lease revenue bonds [8]:					
Hospital Enterprise					
1999 Los Medanos	2028	3.00-5.25	150-505	8,125	2,552
2001A Los Medanos	2026	3.15-4.15	10-265	4,125	1,000
2001B CC Regional Medical Center	2027	4.25-5.20	445-1,250	18,517	2,299
2007A Lease revenue	2028	4.00-5.00	0-3,691	26,521	63,016
2007B Lease revenue	2018	5.00	2,485-9,615	69,928	69,452
					138,319
Total business-type activities					$ 156,882

NOTES:

(1) State environmental laws require the monitoring by the county of closed landfills for at least thirty years after closure. The liability is recognition of the estimated cost of performing the required post closure monitoring.

(2) Debt service payments are made from restricted property taxes and other revenues recorded in the debt service funds.

(3) The tax allocation bonds are secured by property tax increments. Annual principal and interest payments on the bonds are expected to require 90 percent of revenues from RDA Debt Service fund. The total principal and interest remaining to be paid on the bonds is $258,271,000. For the current year, principal and interest paid were $5,694,000 and property tax increment revenues were $6,453,000. The tax allocation bonds required 88 percent of current year's property tax increment revenues.

(4) In 1994, the county issued $337,365,000 in taxable pension obligation bonds. In 2001, the county restructured those bonds with a new issue in the amount of $107,005,000. In April 2003, the county issued $322,710,000 in taxable pension obligation bonds (2003 Series A).

(5) In July 2005, the CCC Fire Protection District issued $129,900,000 in taxable pension obligation bonds (2005 Series). Debt service payments are made from county and CCC Fire Protection District revenues.

(6) Debt service payments are made from special assessment levies on properties in each assessment district. The county administers the assessment and repayment of those bonds. Since early redemption is allowed, there may be differences between the earnings on money received from property owners wishing to pay off their debt early and the interest obligation that accumulates on

their debt between the time they submit funds to the county and the next available redemption date, as stated in the bonds' official statements. The county has historically funded this difference and to that extent may be obligated in some manner for this debt.

Annual principal and interest payments on the special assessment debt are expected to require 75 percent of revenues. The total principal and interest remaining to be paid on the debt is $19,380,000. For the current year, principal and interest paid were $1,354,000 and revenues were $2,005,000. The special assessment debt required 68 percent of current year's revenues.

(7) Debt service payments are made from operating revenues.

(8) Debt service payments are made from lease payments by the General Fund, Special Revenue Funds, and County Hospital Enterprise Fund to the Public Financing Authority.

(9) 2007A lease revenue bond proceeds and debts were reallocated from governmental to business-type activities. Bond proceeds originally allocated for governmental projects, and debts originally allocated for business-type activities were reallocated with the issuance of the 2007B lease revenue bonds.

In May 2008 Contra Costa County Sanitation District #5 was dissolved from the county as part of the Crockett reorganization. On the date of dissolution all assets and liabilities were transferred to and became the assets and liabilities of the Crockett Community Services District.

(10) RDA has entered into a global settlement agreement involving four parties to remediate hazardous materials located in Hookston Station, a project in the RDA Capital Projects fund. The estimated cost of the clean up and monitoring is $10,000,000, of which RDA has agreed to pay $2,250,000. During the year, expenditures in the amount of $500,000 were recognized leaving a remaining estimated balance of $1,750,000 at June 30, 2008

There are a number of limitations and restrictions contained in the various bond indentures. County management believes that the county is in compliance with all significant limitations and restrictions.

General, special revenue, and internal service funds have been used to liquidate compensated absences and claims payable liabilities within the governmental activities in prior years.

Following is a schedule of debt payment requirements to maturity for governmental activities for long-term obligations, excluding compensated absences and claims payable that have indefinite maturities, outstanding at June 30, 2008 (in thousands):

Fiscal Year Ending June 30	Capital Lease Obligations		Pension Obligation Bonds		Other Bonds Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	$ 3,428	560	30,215	33,899	390	184
2010	3,383	391	33,430	31,973	405	164
2011	2,619	238	39,410	29,899	360	145
2012	1,248	127	45,990	27,540	385	125
2013	513	80	53,795	24,943	405	105
2014-2018	995	211	195,165	86,955	1,705	193
2019-2023	292	18	221,130	30,674		
Total	$ 12,478	1,625	619,135	265,883	3,650	916

Fiscal Year Ending June 30	Lease Revenue Bonds		Retirement Litigation Settlement	
	Principal	Interest	Principal	Interest
2009	$ 9,423	7,626	837	1,923
2010	8,632	7,216	904	1,856
2011	9,022	6,842	976	1,783
2012	8,405	6,445	1,055	1,705
2013	8,916	6,052	1,139	1,621
2014-2018	45,967	23,710	7,217	6,583
2019-2023	50,169	12,353	11,906	3,300
2024-2028	21,852	2,562		
Total	$ 162,386	72,806	24,034	18,771

Fiscal Year Ending June 30	Tax Allocation Bonds		Special Assessment Debt		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	$ 1,410	6,795	665	668	98	4
2010	2,280	6,712	400	638	52	1
2011	2,340	6,608	411	614		125
2012	2,415	6,500	437	589	68	57
2013	2,530	6,385	602	559	76	49
2014-2018	14,590	29,918	4,370	2,234	428	198
2019-2023	18,780	25,762	1,300	1,282	521	106
2024-2028	24,180	20,224	1,745	827	239	12
2029-2033	31,195	13,032	1,810	229		
2034-2038	32,570	4,045				
Total	$ 132,290	125,981	11,740	7,640	1,482	552

As of June 30, 2008, annual debt service requirements of business-type activities to maturity, except for compensated absences, medical liability claims payable, landfill post closure liability, and other noncurrent liabilities that have indefinite maturities, are as follows (in thousands):

Fiscal Year Ending June 30	Capital Lease Obligations		Notes Payable		Lease Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	$ 443	54	308	999	5,967	6,646
2010	463	35	325	982	6,253	6,354
2011	304	14	345	1,115	6,543	6,047
2012	136	5	448	1,012	7,885	5,726
2013			480	980	8,174	5,333
2014-2018			4,777	4,288	45,503	20,122
2019-2023			2,262	3,033	42,041	9,713
2024-2028			6,991	663	15,953	1,926
2029-2033				390		
2034-2038				394		
2039-2043				395		
2044-2048				395		
2049-2053				395		
2054-2058			2,627	158		
Total	$ 1,346	108	18,563	15,199	138,319	61,867

New Bonds Issued

2007 Lease Revenue Bonds – In August 2007 the Public Financing Authority issued $110,265,000 of 2007 Lease Revenue Bonds Series B with an interest rate of 5 percent. The proceeds, plus related premium of $6,774,000 and debt reserve funds of refunded debt of $10,775,000 were used as follows:

1) $8,602,000 to fund the initial reserve requirement,

2) $2,429,000 to pay costs of issuance, and

3) $116,780,000 to defease the the Hospital Replacement Certificate of Participation.

$118,078,000 was placed in an irrevocable trust with an escrow agent to provide for the redemption of the remaining 1997 Hospital Replacement Certificates of Participation which were redeemed in full on November 1, 2007. Although the refunding resulted in the accounting recognition of a deferred loss of $13,974,000 for the year ended June 30, 2008, the Authority reduced its aggregate debt service payments by $2,925,000 over the next 15 years and obtained a net economic gain (difference beteween the present values of the old and new debt service paymnents) of $4,211,000.

Defeased Obligations

The county has defeased certain obligations by placing a portion of the proceeds of new debt issuances in irrevocable trusts to provide for all future debt service payments on the refunded obligations. Accordingly, the trust account assets and the liability of the defeased debt are not included on the financial statements of the county. On June 30, 2008, $129,420,000 in outstanding obligations is considered to be defeased.

Legal Debt Limit

As of June 30, 2008, the county's debt limit (5 percent of valuation subject to taxation) was $7.972 billion. The total amount of debt applicable to the debt limit was $719 million, net of assets in the debt service funds and other deductions allowed by law. The resulting legal debt margin was $7.253 billion.

Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. Arbitrage expense was incurred and paid to the IRS during the fiscal year in the amount of $295,000. It was reported as interest expense in the County Hospital Enterprise fund.

The county engages consultants to perform calculations of excess investment earnings on tax-exempt bonds and as of June 30, 2008, does not expect to incur a liability.

12. CONDUIT DEBT

From time to time Multifamily/Single Family Housing Revenue Bonds have been issued in the county's name to provide mortgage loans secured by first trust deeds on newly constructed and existing housing and to provide funds to builders for construction/remodeling of housing projects.

The bonds do not constitute an indebtedness of the county. They are payable solely from payments made on and secured by a pledge of the acquired mortgage loans or housing units and certain funds and other monies held for the benefit of the bondholders pursuant to the bond indentures. The county is not obligated in any manner for repayment of the indebtedness. Accordingly, no liability has been recorded in the basic financial statements.

As of June 30, 2008, the county had participated in the issuance of 37 series of Multifamily or Single Family Housing Revenue Bonds. The aggregate principal amount remaining payable for the bonds issued was $405,372,000.

Not included in the above amount are two defeased issues totaling $48,455,000.

13. NET ASSETS/FUND BALANCES

The government-wide financial statements and proprietary and fiduciary fund financial statements utilize a net assets presentation. Net assets are categorized as invested capital assets (net of related debt), restricted and unrestricted.

- *Invested in capital assets, net of related debt* - This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted net assets* – This category presents external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted net assets* – This category represents net assets of the county, not restricted for any project or other purpose.

In the governmental fund financial statements, reserves segregate portions of fund balance that are either not available for appropriation or are legally restricted by outside parties for use.

As of June 30, 2008, reservations of fund balance are described below:

- *Encumbrances* – to reflect the outstanding contractual obligations for which goods and services have not been received.
- *Inventories* – to reflect the portion of assets, which do not represent available spendable resources.

- *Advances to other funds* – to reflect the amount due from other funds that are long-term in nature. Such amounts do not represent available spendable resources.
- *Prepaid items and deposits* – to reflect amounts paid in advance by the county for goods not yet received or services not yet performed.
- *Land held for resale* – to reflect investment in land, which does not represent available spendable resources.
- *Program with purpose restrictions* – consists of developer fees collected through the county's Child Care Facilities Ordinance for the purpose of creation or expansion of child care services within the redevelopment project areas and consists of a small landscaping program.
- *Escrowed bonds* – two RDA escrow funds for the purpose of increasing amounts in the Program Fund and three of the 2007 loans to the RDA pending satisfaction of certain escrow release conditions. In the event that the RDA does not satisfy the escrow release conditions prior to June 15, 2009, the funds will be used to redeem all or a portion of the Escrowed Bonds on August 1, 2009.
- *Bond proceeds with eligibility restriction* – to account for bond proceeds held in escrow by the trustee for future use on capital projects once certain eligibility requirements are met.
- *Housing projects* – to account for financial resources designated for increasing and improving the supply of housing for persons and families of low or moderate income.
- *Debt service* – to reflect the funds held by trustees or fiscal agents for future payment of bond principal and interest or as reserves. These funds are not available for general operations.
- *Lease purchases* – to reflect the funds held by trustees or fiscal agents for lease purchases.
- *Permanent fund-expendable portion* – to reflect the fund's accumulated expendable earnings.
- *Permanent fund-nonexpendable portion* – to reflect the fund's principal balance, which is not expendable.

In the governmental fund financial statements Unreserved Fund Balance is divided into designated and undesignated portions. The designated portion represents the Board of Supervisors intended future use of available resources, but are subject to change. The undesignated portion represents resources that are available to meet the needs of the government. The designated portion of the Unreserved Fund Balance consists of the following:

- *Equipment replacement* – to reflect financial resources intended for equipment replacement.
- *Litigation/audit* – to reflect financial resources for potential litigation or audit. This is in addition to the amounts in the internal service funds.
- *Dougherty Valley* – to reflect funds from Gale Ranch I subdivision developer intended for various improvements.

- *CCC Fire Protection District capital facilities* – to reflect designated financial resources for CCC Fire Protection District's capital projects.
- *CCC Fire Protection District reserve designation* – to reflect the financial resources of the Reserve Policy established by the Board of Supervisors to serve as a prudent management tool in maintaining the long term financial health and stability of the CCC Fire Protection District.
- *General fund capital reserve* – to reflect reserved financial resources by board designation for capital projects.
- *General fund reserve designation* – to reflect the financial resources of the Reserve Policy established by the Board of Supervisors to serve as a prudent management tool in maintaining the long term financial health and stability of the county.

14. PERMANENT FUND

The Permanent Fund accounts for the financial activities and balances of donor-restricted endowments for the county's libraries. Interest income may be used for the establishment and furnishing of children's areas within libraries, literacy programs and the acquisition of books that meet the criteria of the endowments. In accordance with the terms of the endowments and the California Government Code Section 25355, only the interest income may be used; any unused income may be used in a subsequent year. The amount available for spending, $41,000, at June 30, 2008, is shown on the Statement of Net Assets as Net Assets Restricted for Permanent Fund – expendable portion.

15. EMPLOYEES' RETIREMENT PLAN

A. Plan Description

The CCCERA is a cost-sharing multiple-employer defined benefit pension plan (the plan) governed by the County Employees' Retirement Law of 1937 (the 1937 Act). The plan covers substantially all of the employees of the county, its special districts, the Housing Authority and thirteen other member agencies. The plan issues stand-alone financial statements which can be directly obtained from its office, as indicated in Note 1A.

The plan provides for retirement, disability, death and survivor benefits, in accordance with the 1937 Act. Annual cost-of-living adjustments to retirement benefits can be granted by the Retirement Board as provided by state statutes.

The plan is currently divided into seven benefit sections in accordance with the 1937 Act. These sections are known as General Tier I, enhanced and non-enhanced; Tier II; Tier III enhanced and non-enhanced; Safety enhanced and non-enhanced. On October 1, 2002, the Contra Costa County Board of Supervisors adopted Resolution No. 2002/608, which provides enhanced benefit changes commonly known as 3 percent at 50 for Safety members and 2 percent at 55 for general members, effective July 1, 2002, and January 1, 2003, respectively.

Effective January 1, 2007, Contra Costa County and the Deputy Sheriff's Association agreed to adopt a new Safety Tier C for sworn employees hired by the county after December 31, 2006. A Deputy Sheriff hired on or after this date will have a 3% at 50 benefit formula with a 2% maximum COLA and a 36 month final average salary period.

Legislation was signed by the Governor in 2002 which allowed Contra Costa County, effective October 1, 2002, to provide Tier III to all new employees, to move those previously in Tier II to Tier III as of that date, and to apply all future service as Tier III. Tier III was originally created October 1, 1998, and made available to all members with five or more years of Tier II service who elected to transfer to Tier III coverage.

Tier I includes members not mandated to be in Tier II or Tier III and reciprocal members who elect Tier I membership. County employees who were moved to Tier III effective October 1, 2002, continue to have Tier II benefits for service prior to that date unless the service is converted to Tier III.

Safety includes members in active law enforcement, active fire suppression work or certain other "Safety" classifications as designated by the Retirement Board.

Service retirement benefits are based on age, length of service and final average salary in accordance with the California Government Code Section 31462 and 31462.1. For the Tiers I, III and Safety Tier A sections, the retirement benefit is based on a one-year average salary. For Tier II and Safety Tier C, the benefit is based on a three-year average salary.

B. Funding Policy

Pursuant to provisions of the County Employees' Retirement Law of 1937, the Retirement Board recommends the annual contribution rates for adoption by the Board of Supervisors. New contribution rates, based on the actuarial study as of December 31, 2005, became effective July 1, 2007. The contribution requirements are determined as a percentage of payroll.

The employer rates were calculated on the alternate funding method permitted by the California Government Code Section 31453.5. The "entry age normal funding" method is used to calculate the rate required to provide all the benefits promised to a new member. Unfunded costs resulting from this calculation are amortized on a level percent closed basis over 16 years from the December 31, 2006, valuation date.

Active plan members are required to contribute an actuarially determined percentage of their annual covered salary. The required percentage rates vary according to the benefit section and entry age of the employee. The rates in effect during fiscal year 2007-2008 (based on covered payroll as of January 1, 2006) ranged from 6.28 percent to 12.78 percent of the employees' annual covered salary.

The county employer rates of contribution, calculated as a percentage of the county's covered payroll as determined in an actuary report as of December 31, 2005, for fiscal year 2007-2008 were:

	Non-Enhanced	Enhanced
General Members, Tier I	N/A	25.73 %
General Members, Tier II	N/A	N/A
General Members, Tier III	N/A	23.55
Safety Members, Tier A	N/A	45.62
Safety Members, Tier C	N/A	38.43
CCC Fire Department - Safety	N/A	30.77
CCC Fire Department - Tier I	N/A	18.15

The county's annual pension cost and prepaid pension asset, computed in accordance with GASB 27, *Accounting for Pensions by State and Local Governmental Employers*, for the year ended June 30, 2008, were as follows (in thousands):

Annual required contribution (county fiscal year basis)	$	160,110
Interest on beginning pension asset		(47,422)
Adjustment to the annual required contribution		96,535
Annual pension cost		209,223
Contributions made (including Retirement Litigation Settlement)		160,110
Increase (Decrease) in pension asset		(49,113)
Net pension asset, beginning of year		580,854
Net pension asset, end of year	$	531,741

The following table shows the county's annual pension cost and the percentage contributed for the fiscal year 2007-2008 and each of the two preceding fiscal years (in thousands):

Fiscal Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
2006	$163,578	159.20 %	$621,715
2007	192,412	78.76	580,854
2008	209,223	76.53	531,741

The county has made its annual required contribution (ARC) for each of the past three years. The difference between the ARC and the APC is due to the amortization of the Net Pension Asset.

16. OTHER POSTEMPLOYMENT HEALTHCARE PLAN

A. Plan Description

The county is the plan sponsor and administers a single-employer defined benefit healthcare plan. The plan provides postemployment medical and dental insurance benefits to eligible retired employees and their dependents (County of Contra Costa Post Retirement Health Benefit Plan). Benefit provisions are established and may be amended through negotiations between the county and the respective bargaining units. See Note 19 Commitments and Contingencies – B. Health Insurance.

The county contracts with Kaiser Permanente, Health Net, Contra Costa Health Plans, and the California Public Employees' Retirement System (CalPERS) to provide medical benefits and Delta Dental and PMI Deltacare for dental benefits.

B. Eligibility

County retirees are eligible for membership in the plans upon retirement from the county (drawing a pension from CCCERA or CalPERS). Members in deferred retirement status may maintain membership in county health plans at their own cost and become eligible for coverage as a retiree upon commencement of their pension.

	Primary Government	Blended Component Unit Housing Authority	Discrete Component Unit First Five
Active plan members	8,549	105	14
Retirees and beneficiaries receiving benefits	5,813	62	0
Terminated plan members entitled to, but not yet receiving benefits	7	0	1

C. County Funding Policy

The contribution requirements of program members and the county are established and may be amended through negotiations between the county and the respective bargaining units. For the fiscal year ended June 30, 2008, the funding was based on the "pay-go" basis plus a contribution of $1.00 to the Post Retirement Health Benefits Trust Agreement for the County of Contra Costa. For fiscal year ended June 30, 2008, the county paid $36.1 million as the "pay-go" cost (approximately 86.2 percent of total premiums). Plan members receiving benefits contributed $5.8 million, or approximately 13.8 percent of the total premiums, through their required contribution. The contributions for fiscal year ended June 30, 2008, were as follows (in thousands):

	Active Employees	Retirees	Total
Total blended premiums at $7,195 per plan member	$ 0	41,826	41,826
Less: member contributions	0	(5,755)	(5,755)
Employer Contributions	$ 0	36,071	36,071

D. Annual OPEB Cost and Net OPEB Obligation

The county's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The county charges current costs of these benefits to the employee's department. The county has determined that the future liability is an obligation of the general government. The county records the accrued liability and expense in the general government classification of the Government-Wide Statement of Net Assets and Statement of Activities. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the county's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the county's net OPEB obligation (dollar amounts in thousands):

	Primary Government	Blended Component Unit Housing Authority	Discrete Component Unit First Five
Annual required contribution	$ 194,980	1,305	31
Interest on net OPEB obligation	0	0	0
Adjustment to annual required contribution	0	0	0
Annual OPEB cost (expense)	194,980	1,305	31
Contributions made	(36,071)	(1,024)	0
Increase in net OPEB obligation	158,909	281	31
Net OPEB obligation, beginning of year	0	0	0
Net OPEB obligation, end of year	$ 158,909	281	31

The county's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2008, is (dollar amounts in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentages of Annual OPEB Cost Contributed	Net OPEB Obligation
06/30/08	$194,980	18.5 %	$158,909

Refer to the Required Supplemental Information for the schedule of funding progress.

E. Funded Status and Funding Progress

As of January 1, 2008, the most recent actuarial valuation date, the actuarial accrued liability for benefits was $2.367 billion all of which is unfunded. The covered payroll (annual payroll of active employees covered by the plan) was $609,856 million, and the ratio of the unfunded accrued actuarial liability (UAAL) to the covered payroll was 388.13 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past exceptions and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities.

F. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2008, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the county's own investments and an annual healthcare cost trend rate of 10 percent initially, reduced by 1 percent decrements to an ultimate rate of 5 percent after five years. Both rates included a 3.5 percent inflation assumption. The UAAL is being amortized as a level dollar amount over 30 years on a closed basis. The remaining amortization period at December 31, 2008, was twenty-nine years.

The county began pre-funding benefits in fiscal year ended June 30, 2008. Funding will be increased to $20 million in fiscal year ending June 30, 2009. CCCERA personnel are employees of the county. Their OPEB obligation is included with the county's data.

G. Blended and Discretely Presented Component Units

Housing Authority of the County of Contra Costa

The Housing Authority of the County of Contra Costa is a blended component unit. Its personnel are covered by a separate OPEB plan administered by the Housing Authority. Housing Authority's annual OPEB cost and net OPEB obligation are (dollar amounts in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentages of Annual OPEB Cost Contributed	Net OPEB Obligation
03/31/08	$1,305	78.5 %	$281

The Housing Authority issues a publicly available financial report that includes financial statements and required supplementary information for the plan. The report may be obtained by submitting a request in writing to the following address:

Housing Authority of the County of Contra Costa
3133 Estudillo Street, Martinez, CA 94553

First 5 Contra Costa County Children and Families Commission

First 5 Contra Costa County Children and Families Commission is a discretely presented component unit. Its personnel are covered by a separate OPEB plan administered by First 5 Children and Families Commission. First 5 Children and Families Commission's annual OPEB cost and net OPEB obligation are (dollar amounts in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentages of Annual OPEB Cost Contributed	Net OPEB Obligation
06/30/08	$31	0.0 %	$31

First 5 Children and Families Commission issues a publicly available financial report that includes financial statements and required supplementary information for the plan. The report may be obtained by submitting a request in writing to the following address:

First 5 Contra Costa Children and Families Commission
1485 Enea Court, Suite 1200, Concord CA 94520

17. PATIENT SERVICE REVENUE AND RECEIVABLES

The County Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payer agreements. Charges for services are reported at estimated net realizable amounts from patients, third-party payers and others for services rendered and include estimated retroactive revenue adjustments due to future audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, or investigations.

Laws and regulations governing the Medicare and Medi-Cal programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The County Hospital's Medicare and Medi-Cal cost reports have been audited by the fiscal intermediary through June 30, 2002, and June 30, 2005, respectively. As such, the cost reports for the prior year are still under review by fiscal intermediaries and have not been settled due to certain unresolved reimbursement issues. The county believes it has adequately provided for any liabilities that may arise from the fiscal intermediaries' audits.

Net receivables from patients and third-party payers at June 30, 2008, are summarized as follows (in thousands):

Medicare	$	9,552
Medi-Cal		21,464
Private insurance		2,507
Total Net Patient Receivables	$	33,523

The net receivables from patients and third party payers excludes an allowance for uncollectibles of approximately $10,608,000 non-patient receivables.

18. RISK MANAGEMENT

The county self-insures its unemployment, dental and management long-term disability.

The county maintains a separate insurance policy to cover the Sheriff-Coroner's two helicopters up to $50,000,000 for liability arising from the helicopters' use.

The county maintains up to $600,000,000 "All Risk" insurance coverage subject to a $50,000 deductible to cover its property, except for loss caused by earthquake or flood. Loss caused by earthquake is insured to $180,000,000 and is subject to a minimum 5 percent deductible per location with a minimum $100,000 deductible. Loss caused by flood is insured to $575,000,000 on a shared aggregate and is subject to a $100,000 minimum and $500,000 maximum deductible for property located within a 100-year flood plain. The county has $100,000,000 boiler and machinery coverage.

The county is exposed to various risk of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The county currently reports its risk management activities in its Workers' Compensation Insurance, Long-Term Disability Trust, Employee Benefits Trust, and Personal Injury and Property Damage Funds (Internal Service Funds).

The county is self-insured for most insurable risk, except for excess insurance coverage provided by commercial insurance companies that are limited to the following:

- Airports hanger keepers liability in excess of $5,000 per incident, but limited to a maximum of $100 million.
- Airports property damage in excess of $5,000 per incident, but limited to a maximum of $100 million.

- Property insurance - all risk in excess of $50,000 per incident, but limited to $600 million.
- Property insurance - flood damage in excess of 2% per unit, $500,000 maximum, per incident, but limited to $575 million.
- Property insurance - earthquake in excess of 5% per unit, $100,000 minimum, but limited to a maximum of $180 million shared aggregate.
- Property insurance - terrorism limited to $200 million.
- Crime bond in excess of $50,000 per incident, but limited to a maximum of $10 million.
- General Liability in excess of $1 million per incident, but limited to a maximum of $25 million.
- Workers' Compensation in excess of $750,000 per incident, but limited to a maximum of $5 million; coverage provided by CSAC-EIA (California State Association of Counties Excess Insurance Pooling Fund). Excess workers' compensation insurance in the amount of $145 million is purchased by CSAC Excess Insurance Authority from insurance carriers in the commercial market.
- Medical malpractice in excess of $500,000 per incident, limited to $10 million annual aggregate; but limited to $11.5 million.
- Watercraft in excess of $1,000 per incident, but limited to a maximum of $1 million.
- Sheriff's helicopters limited to $50 million per incident.
- Boiler and machinery limited to $100 million.

During the past five years there have been no instances of the amount of claim settlements exceeding insurance coverage.

Internal service funds are used to account for the county's self-insurance activities. The county's policy is to provide in each fiscal year, by charges to affected operating funds, amounts sufficient to cover the estimated expenditures for self-insured claims. Charges to operating funds are recorded as expenditures/expenses of such funds and revenues of the internal service funds. Accrual and payment of claims are recorded in the internal service funds.

The county has accrued a liability of $107,153,000 at June 30, 2008, for all self-insured claims in the internal service funds, which includes an amount for incurred, but not reported, claims. The self-insurance reserve is based on actuarially determined amounts for workers' compensation, public and automobile liability, and medical liability and based on management's estimates for all other reserves. In the opinion of the county, the amounts accrued are adequate to cover claims incurred but not reported in addition to known claims.

Changes to the internal service funds' claims liability amount, including medical liability claims payable, for fiscal years 2006-2007 and 2007-2008 are as follows (in thousands):

Liability at June 30, 2006	$ 121,005
FY 2006-2007 claims and changes in estimates	22,305
FY 2006-2007 claim payments	(27,461)
Liability at June 30, 2007	115,849
FY 2007-2008 claims and changes in estimates	18,150
FY 2007-2008 claim payments	(26,846)
Liability at June 30, 2008	$ 107,153

The actuarially determined claims liabilities, including incurred but not reported claims, are based on the estimated ultimate cost of settling the claims, using past experience adjusted for current trends, and any other factors that modify past experience. It also includes incremental claim adjustment expenses. In addition, estimated recoveries on settled and unsettled claims were evaluated in terms of their estimated realizable value and deducted from the liability for unpaid claims.

19. COMMITMENTS AND CONTINGENCIES

A. Grants

The county participates in a number of federal and state grant programs which are subject to financial and compliance audits by the grantors or their representatives. Audits of certain grant programs through June 30, 2008, have not yet been conducted. Accordingly, the county's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The county believes that such disallowances, if any, would not have a material effect on the basic financial statements.

B. Health Insurance

Health care benefits for active and retired employees are jointly financed by the beneficiaries and by the county. Most employees have a choice of participation in five medical plans: Kaiser Permanente, a private health maintenance organization (HMO); Health Net (HMO); Health Net, a preferred provider organization (PPO); and the Contra Costa Health Plans (CCHP) A and B, operated by the county Health Services Department. Employees represented by either the Deputy Sheriffs' Association (DSA), District Attorney Investigators' Association (DAIA), or United Professional Fire Fighters' IAFF Local 1230, United Chief Officers Association, East Contra Costa Fire Fighters, and Unrepresented Fire Managers are eligible to participate in medical plans administered by the California Public Employees' Retirement System (CalPERS).

For non-CalPERS administered medical plans, the county subvents 80.0 percent of Kaiser Permanente, 80.0 percent of Health Net (HMO), 59.0 percent of Health Net (PPO) and 98.0 percent of CCHP A and 90.0 percent of CCHP B premiums for plan members. The county subvention for CalPERS administered plans is a flat rate depending on the employees' union representation and the number of dependents covered under the plans. All permanent employees have a choice of two dental plans as follows: a

county self-funded plan administered by Delta Dental and a PMI Delta Care Plan. The county's self-funded plan is an indemnity program and the PMI Delta Care plan is a prepaid program.

The county's contribution to health and dental plans during fiscal year 2007-2008 for active employees was $88,905,000. The county's liability for health care benefits is limited to its annual contribution.

C. Special Assessment Debt

The county is considered to be "obligated in some manner," as defined by GASB Statement No. 6, *Accounting and Financial Reporting for Special Assessments*, for its special assessment debt. The county is obligated to foreclose on properties for which owners have failed to pay assessment installments as they fall due and the county may honor deficiencies to the extent that lien foreclosure proceeds are insufficient. The county's obligation to advance monies to pay debt service in the event of delinquent assessment installments is limited to the amount of remaining original bond proceeds and installments received. Special assessment debt is included in the county's statement of net assets and special assessment transactions are included in the Assessment Districts Debt Service Fund. Debt service payments are made from special assessments of the related special assessment district.

D. Construction Commitments

The county had entered into contracts for the construction of certain projects. At June 30, 2008, there were outstanding commitments of $4,962,000 for State Route 4 Bypass Project, $3,369,000 for Employment and Human Services Department's Office Remodel project, $1,304,000 for Contra Costa County Regional Medical Center Cogeneration Project, $1,229,000 for Juvenile Hall Project, and $1,190,000 for Byron Highway Overlay Project.

E. Pending Legal Matters

Numerous lawsuits are pending or threatened against the county. The county has recorded actuarially determined reserves in the internal service funds to adequately cover estimated potential material adverse losses at June 30, 2008.

20. SUBSEQUENT EVENTS

A. Budget Cut

As a result of state budget cuts leading to a reduction in funding, the county cut $18.5 million from the budget of the Employment and Human Services Department (EHSD) in December 2008. This budget cut will lead to the elimination of more than 200 EHSD positions, about half of which are staffed. The last day of employment for these approximately 100 workers will be December 31, 2008.

B. AB 1389

On September 23, 2008, AB 1389 was signed into law requiring redevelopment agencies statewide to shift a one-time $350 million of property tax increment to the state's Educational Revenue Augmentation Fund (ERAF) as a way to reduce the state's $15.2 billion budget deficit for fiscal year 2008 – 2009. The ERAF money will then be paid to schools and community colleges, relieving the state of payments. The RDA's share of this revenue shift is approximately $1,294,000 and payment is to be made by May 10, 2009. A lawsuit challenging the state's diversion of redevelopment revenues to ERAF has been filed with the California Redevelopment Association.

REQUIRED SUPPLEMENTARY INFORMATION (Other than MD&A)

COUNTY OF CONTRA COSTA
SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(In Thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
Primary Government Jan. 1, 2008	$0	2,367,023	2,367,023	0.00 %	609,856	388.13 %
Housing Authority Jan. 1, 2006	0	16,457	16,457	0.00	5,279	311.74
First 5 Contra Costa County Children and Families Commission Jan. 1, 2008	0	251	251	0.00	1,059	23.70

COUNTY OF CONTRA COSTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(In Thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	$ 313,280	315,825	317,307	1,482
Licenses, permits and franchise fees	14,407	16,068	12,613	(3,455)
Fines, forfeitures and penalties	15,261	19,551	21,255	1,704
Use of money and property	13,223	13,428	13,829	401
Intergovernmental	641,570	657,660	588,193	(69,467)
Charges for services	199,073	213,917	216,838	2,921
Other revenue	86,550	102,893	99,325	(3,568)
Total revenues	1,283,364	1,339,342	1,269,360	(69,982)
Expenditures:				
Current:				
General government:				
Administrator	4,984	4,984	4,558	426
Assessor	16,682	17,726	17,708	18
Auditor-Controller	8,100	8,100	7,514	586
Board Mitigation Programs	3,390	3,390	1,884	1,506
Board of Supervisors	5,254	5,254	4,890	364
Building Maintenance	34,299	37,266	36,497	769
Building Occupancy Cost	15,483	16,488	16,411	77
Central Service/Microfilm	559	396	396	
Clerk of the Board	629	629	597	32
Community Access Television	2,655	1,442	703	739
County Counsel	4,650	5,094	4,734	360
Crockett-Rodeo Revenues	662	662	429	233
Economic Development	73	78	74	4
Elections	11,627	11,627	9,790	1,837
Employee Benefits	3,309	3,309	2,063	1,246
Fleet Services	3,564	4,713	3,779	934
General Services Administration		4	4	
Human Resources	8,605	8,605	7,112	1,493
Information Technology	3,464	3,707	3,707	
Insurance	8,052	8,043	6,370	1,673
Keller Canyon Mitigation	7	1,777	1,777	
Management Information Systems	1,056	1,056	598	458
Personnel Merit Board	91	91	57	34
Plant Acquisition	20,702	33,286	19,676	13,610
Purchasing	940	994	994	
Revenue Collections	3,022	3,022	2,803	219
Telecommunications	3,167	4,419	4,419	
Treasurer-Tax Collector	5,175	5,175	4,769	406
UAAL Pension Bond Debt Service Transfer	(4,558)	(4,558)	(4,558)	
Total general government	165,643	186,779	159,755	27,024

(continued)

COUNTY OF CONTRA COSTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(In Thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Public protection:				
Agriculture	4,721	4,911	4,891	20
Animal Services	10,007	10,007	9,345	662
Community Development	9,809	10,211	10,100	111
Conflict Defense Services	2,077	3,727	3,404	323
Coroner	3,009	3,009	2,894	115
Criminal Grand Jury	50	51	51	
District Attorney	27,677	28,153	27,920	233
Emergency Services	6,213	9,992	8,560	1,432
Flood Control	570	606	606	
Grand Jury	147	145	120	25
Jail	74,053	74,053	70,782	3,271
Jail - Health Services	17,077	16,977	16,896	81
Justice System Programs	104	104	104	
Law and Justice Systems	427	427	388	39
Local Agency Information	180	180	180	
Probation - Programs	27,006	27,006	26,190	816
Probation - Facilities	26,978	27,407	26,985	422
Probation - Care of Court Wards	8,028	8,177	8,171	6
Public Administrator	299	299	277	22
Public Defender	21,727	21,727	19,324	2,403
Recorder	4,127	4,127	3,368	759
Sheriff	95,211	101,753	97,688	4,065
Trial Court Programs	20,594	22,884	22,065	819
Vehicle Theft Programs	1,629	1,629	894	735
UAAL Pension Bond Debt Service Transfer	(19,869)	(19,869)	(19,869)	
Total public protection	341,851	357,693	341,334	16,359
Health and sanitation:				
Children's Services	8,032	8,285	8,280	5
Conservator/Guardianship	2,018	1,699	1,699	
Environmental Health	15,924	15,924	15,144	780
General Sewer Planning	20	20	20	
Health Services Homeless Program	4,421	3,381	3,381	
Mental Health	119,652	117,330	114,883	2,447
Public Health	39,969	41,058	40,978	80
Solid Waste Management	428	469	466	3
Substance Abuse	16,013	16,500	16,215	285
UAAL Pension Bond Debt Service Transfer	(5,049)	(5,049)	(5,049)	
Total health and sanitation	201,428	199,617	196,017	3,600

(continued)

COUNTY OF CONTRA COSTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(In Thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Public assistance:				
Ann Adler Child & Family	92	73	73	
Community Development	10,493	10,541	5,512	5,029
Community Services	32,722	34,375	30,056	4,319
Housing Rehabilitation	457	528	528	
EHSD - Administration	5,410	7,906	7,905	1
EHSD - Child & Family	122,866	120,081	120,081	
EHSD - Aging & Adult	97,628	96,778	88,781	7,997
EHSD - Workforce Services	124,868	138,962	137,715	1,247
EHSD - WFRC Investment Board	6,420	6,420	6,351	69
Services Integration	809	710	234	476
Veterans Services	773	773	750	23
Zero Tolerance Domestic Violence Initiative	2,595	2,595	2,557	38
UAAL Pension Bond Debt Service Transfer	(8,361)	(8,361)	(8,361)	
Total public assistance	396,772	411,381	392,182	19,199
Education:				
Cooperative Extension Services	328	328	324	4
UAAL Pension Bond Debt Service Transfer	(12)	(12)	(12)	
Total education	316	316	312	4
Public ways and facilities:				
Public Works	33,833	36,609	36,588	21
Road Construction	71,814	71,814	53,918	17,896
UAAL Pension Bond Debt Service Transfer	(1,655)	(1,655)	(1,655)	
Total public ways and facilities	103,992	106,768	88,851	17,917
Recreation and culture:				
Park Administration	43	43		43
Total recreation and culture	43	43		43
Debt service:				
Principal	95	95	95	
Interest	100	5,254	5,108	146
Total expenditures	1,210,240	1,267,946	1,183,654	84,292
Excess (deficiency) of revenues over (under) expenditures	73,124	71,396	85,706	14,310
Other Financing Sources (Uses):				
Transfers in	945	2,591	12,621	10,030
Transfers out	(67,089)	(106,476)	(106,506)	(30)
Issuance of debt			1,332	1,332
Premium on debt issued			970	970
Capital lease financing			2,375	2,375
Total other financing sources (uses)	(66,144)	(103,885)	(89,208)	14,677
Net change in fund balances	6,980	(32,489)	(3,502)	28,987
Fund Balance at Beginning of Year	138,438	88,391	149,116	60,725
Fund Balance at End of Year	$ 145,418	55,902	145,614	89,712

(concluded)

COUNTY OF CONTRA COSTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CCC FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 89,728	89,728	88,500	(1,228)
Licenses, permits, and franchise fees	106	106	93	(13)
Use of money and property	586	586	195	(391)
Intergovernmental	4,747	4,899	4,638	(261)
Charges for services	3,954	5,156	6,184	1,028
Other revenue	200	328	698	370
Total revenues	99,321	100,803	100,308	(495)
Expenditures:				
Current:				
Public protection				
Salaries and benefits	78,216	79,545	79,447	98
Services and supplies	10,918	12,047	9,979	2,068
Other charges	2,933	3,588	3,582	6
Fixed assets	11,425	12,512	3,821	8,691
Expenditure transfers	8,861	9,646	8,861	785
Total expenditures	112,353	117,338	105,690	11,648
Excess (deficiency) of revenues over (under) expenditures	(13,032)	(16,535)	(5,382)	11,153
Other Financing Sources (Uses):				
Transfers in	2,801	2,801	546	(2,255)
Transfers out	(2,601)	(2,601)	(785)	1,816
Total other financing sources (uses)	200	200	(239)	(439)
Net change in fund balance	(12,832)	(16,335)	(5,621)	10,714
Fund Balance at Beginning of the Year	8,146	8,148	30,171	22,023
Fund Balance at End of Year	$ (4,686)	(8,187)	24,550	32,737

COUNTY OF CONTRA COSTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

LAND DEVELOPMENT SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Licenses, permits and franchise fees	$ 17,672	17,672	15,104	(2,568)
Fines, forfeitures and penalties			5	5
Use of money and property	1,545	1,545	2,477	932
Intergovernmental	19	19		(19)
Charges for services	16,024	16,024	13,678	(2,346)
Other revenue	8,507	8,638	6,544	(2,094)
Total revenues	43,767	43,898	37,808	(6,090)
Expenditures:				
Public protection				
Salaries and benefits	14,375	14,145	12,477	1,668
Services and supplies	38,385	16,892	4,094	12,798
Other charges	1,761	2,098	2,097	1
Fixed assets	487	18,788	267	18,521
Expenditure transfers	7,216	10,470	7,219	3,251
Total public protection	62,224	62,393	26,154	36,239
Public ways and facilities				
Services and supplies	1,815	1,815	939	876
Other charges	307	507	291	216
Expenditure transfers	10,669	10,469	8,057	2,412
Total public ways and facilities	12,791	12,791	9,287	3,504
Total expenditures	75,015	75,184	35,441	39,743
Excess (deficiency) of revenues over (under) expenditures	(31,248)	(31,286)	2,367	33,653
Other Financing Uses:				
Transfers in			1	1
Transfers out	(610)	(610)	(3,739)	(3,129)
Total other financing sources (uses)	(610)	(610)	(3,738)	(3,128)
Net change in fund balance	(31,858)	(31,896)	(1,371)	30,525
Fund Balance at Beginning of Year	789	775	32,779	32,004
Fund Balance at End of Year	$ (31,069)	(31,121)	31,408	62,529

BUDGETS AND BUDGETARY ACCOUNTING

In accordance with the provisions of the California Government Code Sections 29000-29145 and other statutory provisions, commonly known as the County Budget Act, the Board of Supervisors legally adopts a budget for each fiscal year. Budgets are adopted on the modified accrual basis. Prior to June 30 the County Administrator develops, recommends and the Board of Supervisors adopts a proposed budget for the next fiscal year. This is based on preliminary data because the county's books have not yet been closed, ending fund balances have not been established, and the state has not yet adopted its budget. Later, after a series of public hearings the Board of Supervisors adopts a formal budget on or before October 2. This budget establishes the maximum authorized expenditures for the fiscal year that cannot be exceeded except by subsequent amendments to the budget by the Board of Supervisors and is reported in the budgetary comparison schedule as the "Original Budget."

Supplemental appropriations, which are normally financed by unanticipated revenues during the year, and any amendments or transfers of appropriations between summary accounts or departments must be approved by the Board of Supervisors. Pursuant to a Board of Supervisors Resolution, the County Administrator is authorized to approve transfers of appropriations among summary accounts within a department as deemed necessary and appropriate. Accordingly, the legal level of budgetary control by the Board of Supervisors is at the department level. Budgeted amounts amended during the fiscal year by the County Administrator and, when necessary, by resolution of the Board of Supervisors are reported in the budgetary comparison schedule as the "Final Budget."

The objective of the county's budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the Board of Supervisors. No department is permitted to spend and/or encumber more than its available appropriations. Increases in budget appropriations must be approved by the Board of Supervisors as a transfer from the Reserve for Contingencies, as a transfer from another appropriation, or as an appropriation of new or unanticipated revenue. Using the county's automated accounting system, staff of the Auditor-Controller monitors the expenditures of each department to ensure that the departments don't exceed the amounts appropriated by the Board of Supervisors for the year. The county uses an encumbrance system as an extension of normal budgetary accounting. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as reservations of fund balance since they do not constitute expenditures or liabilities and are re-established, along with their encumbered appropriations as part of the following year's budget. Any appropriations remaining in the departments at the end of the fiscal year automatically lapse and are transferred to fund balance. The year-end fund balance, along with projected revenues, becomes available for appropriation the following year.

The amounts reported as expenditures by department include amounts charged each department to service the pension obligation bond debt and the liability for the Retirement Litigation Settlement because the budget includes these amounts as expenditures. "UAAL Pension Bond Debt Service Transfer" and "Retirement Litigation Settlement Transfer" are reporting adjustments made at the function level to achieve agreement with the financial statements where these expenditures are reported as transfers in accordance with GASB.

The Board of Supervisors approved an interfund loan between the Land Development Special Revenue fund and the County Facilities Capital Projects fund for Ellinwood Park capital expenditures. Interfund loans do not provide revenue to support budget appropriations. As such, expenditures for Ellinwood Park have been incurred without appropriations in the County Facilities Capital Projects fund.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND BUDGETARY SCHEDULES

COUNTY OF CONTRA COSTA

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2008

(In Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total
Assets:					
Cash and investments	$ 236,452	12,201	26,933	135	275,721
Accounts receivable and accrued revenue	51,143	6,730	5,201		63,074
Due from other funds	7,247	350	11		7,608
Advances to other funds	7,360				7,360
Notes receivable	14,258		-22		14,280
Prepaid items and deposits	1,924				1,924
Land held for resale	2,439		3,866		6,305
Restricted cash and investments	14,246	28,835	56,802	1,729	101,612
Total assets	$ 335,069	48,116	92,835	1,864	477,884
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	$ 13,167	3,075	1,182		17,424
Due to other funds	35,704	13,631	19,043	94	68,472
Welfare program advances	172				172
Advances from other funds	5,951	104	1,305		7,360
Deferred revenue	16,466		3,954		20,420
Total liabilities	71,460	16,810	25,484	94	113,848
Fund Balances:					
Reserved for:					
Encumbrances	5,609		15,149		20,758
Advances to other funds	7,360				7,360
Prepaid items and deposits	1,922				1,922
Land held for resale	2,439		3,866		6,305
Programs with purpose restrictions			637		637
Escrowed bonds	4,395		15,550		19,945
Bond proceeds with eligibility restrictions	9,581		26,980		36,561
Housing projects	28				28
Debt service		31,306			31,306
Permanent fund-expendable portion				41	41
Permanent fund-nonexpendable portion				1,729	1,729
Unreserved, designated for:					
Equipment replacement	6,237				6,237
Unreserved, undesignated, reported in:					
Special revenue funds	226,038				226,038
Capital projects funds			5,169		5,169
Total fund balances	263,609	31,306	67,351	1,770	364,036
Total liabilities and fund balances	$ 335,069	48,116	92,835	1,864	477,884

COUNTY OF CONTRA COSTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(In Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total
Revenues:					
Taxes	$ 74,118	20,405	7,728		102,251
Licenses, permits and franchise fees	2,043				2,043
Fines, forfeitures and penalties	8,170				8,170
Use of money and property	10,970	29,047	3,247	64	43,328
Intergovernmental	96,434		263		96,697
Charges for services	38,999				38,999
Other revenue	20,508	10,528	3,404		34,440
Total revenues	251,242	59,980	14,642	64	325,928
Expenditures:					
Current:					
General government	9,343	7,252			16,595
Public protection	101,984	1			101,985
Health and sanitation	10,925				10,925
Public assistance	28,249	11,985	41,109		81,343
Education	26,082				26,082
Public ways and facilities	43,546				43,546
Recreation and culture	1,076				1,076
Debt service:					
Principal	17	38,305			38,322
Interest	1,764	57,365	28		59,157
Debt issuance cost		363			363
Total expenditures	222,986	115,271	41,137		379,394
Excess (deficiency) of revenues over (under) expenditures	28,256	(55,291)	(26,495)	64	(53,466)
Other Financing Sources (Uses):					
Transfers in	4,618	54,952	356		59,926
Transfers out	(14,442)	(860)	(500)	(94)	(15,896)
Issuance of debt		35,285			35,285
Proceeds on issuance of debt transferred to the County Hospital enterprise fund		(36,687)			(36,687)
Proceeds on issuance of debt transferred to the investment trust funds	(526)				(526)
Premium on debt issued	359	601			960
Total other financing sources (uses)	(9,991)	53,291	(144)	(94)	43,062
Net change in fund balances	18,265	(2,000)	(26,639)	(30)	(10,404)
Fund Balances at Beginning of Year	245,344	33,306	93,990	1,800	374,440
Fund Balances at End of Year	$ 263,609	31,306	67,351	1,770	364,036

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

Nonmajor Special Revenue Funds

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for revenues that are restricted by law or administrative action to expenditures for specified purposes. Nonmajor special revenue funds used by the county are listed below:

ROAD FUND

This fund is used to account for maintenance and construction of roadways. Revenues consist primarily of the county's share of state highway user taxes and are supplemented by federal funds.

LIBRARY FUND

This fund is used to account for library services for all areas of the county except the city of Richmond. Property taxes provide most of the fund's revenues.

OTHER FIRE PROTECTION FUND

This fund is used to account for the East Contra Costa County and Crockett-Carquinez Fire Protection Districts fire protection services in the county. The fund is financed primarily by property taxes.

HEALTH AND SANITATION FUND

This fund is used to account for a variety of health and sanitation services. The fund is financed by state grants, the county's share of the tobacco tax and user fees.

SERVICE AREAS FUND

This fund is used to account for the provision of services such as lighting, park, or street maintenance by special districts to specific areas in the county. The fund is financed by property taxes and user charges.

FLOOD CONTROL FUND

This fund is used to account for the provision of services by special districts to control flood and storm waters. Revenues are primarily received from property taxes and federal grants.

LAW ENFORCEMENT FUND

This fund is used to account for a variety of law enforcement services financed by property taxes, narcotics seizures and court fines and fees.

COURTS AND CRIMINAL JUSTICE FUND

This fund is used to account for the improvement of courthouse and criminal justice facilities and related automated information systems. Revenues are derived from court fines and fees.

RECORDER/CLERK MODERNIZATION FUND

This fund is used to account for automation of civil and small claims functions of the courts and for micrographics and modernization of the Recorder's Office. Revenues received are from filing and recording fees.

REDEVELOPMENT AGENCY (RDA) FUND

This fund is used to account for the financial resources designated for the improvement of targeted low to moderate income housing areas and the elimination of blight.

CHILD DEVELOPMENT FUND

This fund is used to account for the financial resources designated for the county's child development programs.

IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY (IHSS) FUND

This fund is used to account for services to both providers and recipients of in-home care delivered through the In-Home Supportive Services program.

OTHER SPECIAL REVENUE FUND

This fund is used to account for the activities of several non-grant special revenue funds. It includes Fish and Game, Vehicle License Fees (VLF) Securitization, Survey Monuments, Victim Assistance, Sans Crainte Drainage and county water districts.

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

COUNTY OF CONTRA COSTA
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS

JUNE 30, 2008
(In Thousands)

	Road	Library	Other Fire Protection	Health & Sanitation	Service Areas	Flood Control
Assets:						
Cash and investments	$ 67,807		10,754	23,502	31,145	50,595
Accounts receivable and accrued revenue	5,783	12,583		3,135	262	377
Due from other funds	422	95	29	1	51	236
Advances to other funds						
Notes receivable	3,000					
Prepaid items and deposits	1,755			55		31
Land held for resale						
Restricted cash and investments			356			
Total assets	$ 78,767	12,678	11,139	26,693	31,458	51,239
Liabilities and Fund Balances						
Liabilities:						
Accounts payable and accrued liabilities	$ 1,614	1,916	1,428	951	3,527	335
Due to other funds	3,591	180	90	13,268	559	1,594
Welfare program advances						
Advances from other funds						
Deferred revenue	4,337			38		
Total liabilities	9,542	2,096	1,518	14,257	4,086	1,929
Fund Balances:						
Reserved for:						
Encumbrances	503	931	373	20	1	503
Advances to other funds						
Prepaid items and deposits	1,755			55		31
Land held for resale						
Escrowed bonds						
Bond proceeds with purpose restriction						
Housing projects						
Unreserved, designated for:						
Equipment replacement	5,364	100				556
Unreserved, undesignated	61,603	9,551	9,248	12,361	27,371	48,220
Total fund balances	69,225	10,582	9,621	12,436	27,372	49,310
Total liabilities and fund balances	$ 78,767	12,678	11,139	26,693	31,458	51,239

Law Enforcement	Courts & Criminal Justice	Recorder/ Clerk Modernization	Redevelopment Agency	Child Development	In-Home Supportive Services	Other Special Revenue	Total
33,570	1,051	9,709	8,319				236,452
249	638	18	367	3,076	339	24,316	51,143
120	69			2,985	450	2,789	7,247
						7,360	7,360
			4,432			6,826	14,258
11		9			37	26	1,924
			2,439				2,439
			13,890				14,246
33,950	1,758	9,736	29,447	6,061	826	41,317	335,069
276		118	24	1,164	98	1,716	13,167
9,997	217	47		3,976	716	1,469	35,704
						172	172
			5,951				5,951
4	65		4,482	710		6,830	16,466
10,277	282	165	10,457	5,850	814	10,187	71,460
84		599	2,547			48	5,609
						7,360	7,360
9		9			37	26	1,922
			2,439				2,439
			4,395				4,395
			9,581				9,581
			28				28
125						92	6,237
23,455	1,476	8,963		211	(25)	23,604	226,038
23,673	1,476	9,571	18,990	211	12	31,130	263,609
33,950	1,758	9,736	29,447	6,061	826	41,317	335,069

COUNTY OF CONTRA COSTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

SPECIAL REVENUE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(In Thousands)

	Road	Library	Other Fire Protection	Health & Sanitation	Service Areas	Flood Control
Revenues:						
Taxes	$ 10,412	20,964	11,807	4,627	5,948	9,133
Licenses, permits and franchise fees					16	1,924
Fines, forfeitures and penalties				1,708		
Use of money and property	3,076	85	17	678	1,190	1,409
Intergovernmental	22,249	3,640	381	21,398	382	1,473
Charges for services	6,108	923	17	252	10,597	15,505
Other revenue	4,424	669	608	485	1,583	2,490
Total revenues	46,269	26,281	12,830	29,148	19,716	31,934
Expenditures:						
Current:						
General government						
Public protection			14,320		16,634	29,363
Health and sanitation				10,925		
Public assistance						
Education		25,885			197	
Public ways and facilities	42,799				714	
Recreation and culture					1,076	
Debt service:						
Principal				17		
Interest				28		
Total expenditures	42,799	25,885	14,320	10,970	18,621	29,363
Excess (deficiency) of revenues over (under) expenditures	3,470	396	(1,490)	18,178	1,095	2,571
Other Financing Sources (Uses):						
Transfers in	270	394	373	51		
Transfers out	(50)	(694)		(10,366)	(306)	(270)
Proceeds on issuance of debt transferred to the investment trust funds				(526)		
Premium on debt issued						
Total other financing sources (uses)	220	(300)	373	(10,841)	(306)	(270)
Net change in fund balances	3,690	96	(1,117)	7,337	789	2,301
Fund Balances at Beginning of Year	65,535	10,486	10,738	5,099	26,583	47,009
Fund Balances at End of Year	$ 69,225	10,582	9,621	12,436	27,372	49,310

Law Enforcement	Courts & Criminal Justice	Recorder/ Clerk Modernization	Redevelopment Agency	Child Development	In-Home Supportive Services	Other Special Revenue	Total
7,185			3,541			501	74,118
						103	2,043
2,976	3,420					66	8,170
951	174		813	16		2,561	10,970
8,553	327			17,732	1,598	18,701	96,434
1,109		1,597				2,891	38,999
275			1,035	5,312	174	3,453	20,508
21,049	3,921	1,597	5,389	23,060	1,772	28,276	251,242
1,864	7,352					127	9,343
17,392		2,714				21,561	101,984
							10,925
			1,138	23,117	1,772	2,222	28,249
							26,082
						33	43,546
							1,076
							17
1	9		79	2		1,645	1,764
19,257	7,361	2,714	1,217	23,119	1,772	25,588	222,986
1,792	(3,440)	(1,117)	4,172	(59)		2,688	28,256
384						3,146	4,618
(212)		(42)	(1,044)	(230)		(1,228)	(14,442)
							(526)
						359	359
172		(42)	(1,044)	(230)		2,277	(9,991)
1,964	(3,440)	(1,159)	3,128	(289)		4,965	18,265
21,709	4,916	10,730	15,862	500	12	26,165	245,344
23,673	1,476	9,571	18,990	211	12	31,130	263,609

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

ROAD SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 10,412	10,412	10,412	
Use of money and property	1,925	1,930	3,076	1,146
Intergovernmental	14,828	23,510	22,249	(1,261)
Charges for services	5,274	6,610	6,108	(502)
Other revenue	7,570	6,426	4,424	(2,002)
Total revenues	40,009	48,888	46,269	(2,619)
Expenditures:				
Public ways and facilities				
Services and supplies	29,111	28,963	12,725	16,238
Other charges	9,442	11,561	7,693	3,868
Fixed assets	285	531		531
Expenditure transfers	18,784	25,790	22,381	3,409
Reserves	351	346		346
Total expenditures	57,973	67,191	42,799	24,392
Excess (deficiency) of revenues over (under) expenditures	(17,964)	(18,303)	3,470	21,773
Other Financing Sources (Uses) :				
Transfers in	310	310	270	(40)
Transfers out	(501)	(501)	(50)	451
Total other financing sources (uses)	(191)	(191)	220	411
Net change in fund balance	(18,155)	(18,494)	3,690	22,184
Fund Balance at Beginning of Year	48,323	48,192	65,535	17,343
Fund Balance at End of Year	$ 30,168	29,698	69,225	39,527

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
LIBRARY SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 20,263	20,263	20,964	701
Licenses, permits and franchise fees		5		(5)
Use of money and property	80	80	85	5
Intergovernmental	3,587	3,967	3,640	(327)
Charges for services	1,000	1,000	923	(77)
Other revenue	16	333	669	336
Total revenues	24,946	25,648	26,281	633
Expenditures:				
General government				
Fixed assets	801	801		801
Total general government	801	801		801
Education				
Salaries and benefits	20,256	19,218	16,957	2,261
Services and supplies	7,021	7,390	5,673	1,717
Other charges	2,934	3,136	2,834	302
Fixed assets	335	803	413	390
Expenditure transfers		8	8	
Total education	30,546	30,555	25,885	4,670
Total expenditures	31,347	31,356	25,885	5,471
Excess (deficiency) of revenues over (under) expenditures	(6,401)	(5,708)	396	6,104
Other Financing Sources (Uses):				
Transfers in	1,762	1,762	394	(1,368)
Transfers out		(694)	(694)	
Total other financing sources (uses)	1,762	1,068	(300)	(1,368)
Net change in fund balance	(4,639)	(4,640)	96	4,736
Fund Balance at Beginning of Year	5,379	5,379	10,486	5,107
Fund Balance at End of Year	$ 740	739	10,582	9,843

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

OTHER FIRE PROTECTION SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 11,109	11,109	11,807	698
Use of money and property			17	17
Intergovernmental	555	555	381	(174)
Charges for services	137	137	17	(120)
Other revenue	129	129	608	479
Total revenues	11,930	11,930	12,830	900
Expenditures:				
Public protection				
Salaries and benefits	8,487	8,487	8,120	367
Services and supplies	3,529	3,191	2,214	977
Other charges	1,341	3,012	2,881	131
Fixed assets	5,246	3,914	1,105	2,809
Total expenditures	18,603	18,604	14,320	4,284
Excess (deficiency) of revenues over (under) expenditures	(6,673)	(6,674)	(1,490)	5,184
Other Financing Sources (Uses):				
Transfers in	349	349	373	24
Transfers out	(206)	(206)		206
Total other financing sources (uses)	143	143	373	230
Net change in fund balance	(6,530)	(6,531)	(1,117)	5,414
Fund Balance at Beginning of the Year	6,904	6,904	10,738	3,834
Fund Balance at End of Year	$ 374	373	9,621	9,248

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

HEALTH AND SANITATION SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 4,721	4,721	4,627	(94)
Fines, forfeitures and penalties	2,346	2,346	1,708	(638)
Use of money and property	63	66	678	612
Intergovernmental	3,502	3,502	21,398	17,896
Charges for services	252	252	252	
Other revenue		485	485	
Total revenues	10,884	11,372	29,148	17,776
Expenditures:				
Current:				
Health and sanitation				
Salaries and benefits	425	519	510	9
Services and supplies	10,423	9,877	5,740	4,137
Other charges	1,990	1,981	1,681	300
Fixed assets		150	130	20
Expenditure transfers	2,834	2,864	2,864	
Total health and sanitation	15,672	15,391	10,925	4,466
Debt service:				
Principal		17	17	
Interest		28	28	
Total expenditures	15,672	15,436	10,970	4,466
Excess (deficiency) of revenues over (under) expenditures	(4,788)	(4,064)	18,178	22,242
Other Financing Sources (Uses):				
Transfers in		51	51	
Transfers out		(779)	(10,366)	(9,587)
Proceeds on issuance of debt transferred to the investment trust funds			(526)	(526)
Total other financing sources (uses)		(728)	(10,841)	(10,113)
Net change in fund balance	(4,788)	(4,792)	7,337	12,129
Fund Balance at Beginning of Year	(64)	(64)	5,099	5,163
Fund Balance at End of Year	$ (4,852)	(4,856)	12,436	17,292

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

SERVICE AREAS SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 4,818	4,826	5,948	1,122
Licenses, permits and franchise fees	18	18	16	(2)
Use of money and property	832	832	1,190	358
Intergovernmental	1,435	1,437	382	(1,055)
Charges for services	7,241	7,304	10,597	3,293
Other revenue	12	12	1,583	1,571
Total revenues	14,356	14,429	19,716	5,287
Expenditures:				
Public protection				
Services and supplies	27,767	26,813	13,610	13,203
Other charges	1,640	899	899	
Fixed assets	1	1		1
Expenditure transfers	419	2,125	2,125	
Reserves	29	29		29
Total public protection	29,856	29,867	16,634	13,233
Education				
Other charges	273	273	197	76
Total education	273	273	197	76
Public ways and facilities				
Services and supplies	5,119	4,877	31	4,846
Other charges	442	677	674	3
Expenditure transfers	2	9	9	
Total public ways and facilities	5,563	5,563	714	4,849
Recreation and culture				
Salaries and benefits	13	13		13
Services and supplies	966	821	433	388
Other charges	379	478	315	163
Fixed assets	2,391	2,391	10	2,381
Expenditure transfers	291	411	318	93
Total recreation and culture	4,040	4,114	1,076	3,038
Total expenditures	39,732	39,817	18,621	21,196
Excess (deficiency) of revenues over (under) expenditures	(25,376)	(25,388)	1,095	26,483
Other Financing Uses:				
Transfers out	(300)	(311)	(306)	5
Total other financing uses	(300)	(311)	(306)	5
Net change in fund balance	(25,676)	(25,699)	789	26,488
Fund Balance at Beginning of Year	977	977	26,583	25,606
Fund Balance at End of Year	$ (24,699)	(24,722)	27,372	52,094

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

FLOOD CONTROL SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 8,404	8,405	9,133	728
Licenses, permits and franchise fees	3,510	3,523	1,924	(1,599)
Use of money and property	954	954	1,409	455
Intergovernmental	3,452	3,453	1,473	(1,980)
Charges for services	14,235	14,249	15,505	1,256
Other revenue	776	1,234	2,490	1,256
Total revenues	31,331	31,818	31,934	116
Expenditures:				
Current:				
Public protection				
Salaries and benefits	2	2		2
Services and supplies	29,838	30,878	17,581	13,297
Other charges	26,636	23,610	2,528	21,082
Fixed assets		244		244
Expenditure transfers	8,959	11,216	9,254	1,962
Reserves	3,285	3,278		3,278
Total public protection	68,720	69,228	29,363	39,865
Public ways and facilities				
Services and supplies	6,680	6,680		6,680
Total public ways and facilities	6,680	6,680		6,680
Debt service:				
Principal	38	38		38
Total expenditures	75,438	75,946	29,363	46,583
Excess (deficiency) of revenues over (under) expenditures	(44,107)	(44,128)	2,571	46,699
Other Financing Sources (Uses):				
Transfers in	142	142		(142)
Transfers out	(2,510)	(2,510)	(270)	2,240
Total other financing souces (uses)	(2,368)	(2,368)	(270)	2,098
Net change in fund balance	(46,475)	(46,496)	2,301	48,797
Fund Balance at Beginning of Year	(356)	(387)	47,009	47,396
Fund Balance at End of Year	$ (46,831)	(46,883)	49,310	96,193

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

LAW ENFORCEMENT SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 6,279	6,981	7,185	204
Fines, forfeitures and penalties	634	634	2,976	2,342
Use of money and property	350	427	951	524
Intergovernmental	7,294	7,654	8,553	899
Charges for services	1,039	1,056	1,109	53
Other revenue	259	259	275	16
Total revenues	15,855	17,011	21,049	4,038
Expenditures:				
General government				
Services and supplies	3,801	3,624	154	3,470
Other charges		1,556	1,556	
Expenditure transfers	1,500	154	154	
Total general government	5,301	5,334	1,864	3,470
Public protection				
Salaries and benefits	2,174	2,022	1,735	287
Services and supplies	10,054	8,889	78	8,811
Other charges	5,213	4,779	2,993	1,786
Fixed assets	38	62	47	15
Expenditure transfers	12,037	13,799	12,539	1,260
Total public protection	29,516	29,551	17,392	12,159
Debt service:				
Interest	1	1	1	
Total expenditures	34,818	34,886	19,257	15,629
Deficiency of revenues under expenditures	(18,963)	(17,875)	1,792	19,667
Other Financing Sources (Uses):				
Transfers in	825	825	384	(441)
Transfers out	(2,169)	(3,198)	(212)	2,986
Total other financing sources (uses)	(1,344)	(2,373)	172	2,545
Net change in fund balance	(20,307)	(20,248)	1,964	22,212
Fund Balance at Beginning of Year	1,853	1,852	21,709	19,857
Fund Balance at End of Year	$ (18,454)	(18,396)	23,673	42,069

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

COURTS AND CRIMINAL JUSTICE SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Fines, forfeitures and penalties	$ 2,348	2,842	3,420	578
Use of money and property	(11)	(11)	174	185
Intergovernmental	328	328	327	(1)
Total revenues	2,665	3,159	3,921	762
Expenditures:				
Current:				
General government				
Services and supplies	4,981	181		181
Other charges	2,591	3,085	2,552	533
Fixed assets		4,800	4,800	
Total general government	7,572	8,066	7,352	714
Debt service:				
Interest	9	9	9	
Total expenditures	7,581	8,075	7,361	714
Excess (deficiency) of revenues over (under) expenditures	(4,916)	(4,916)	(3,440)	1,476
Net change in fund balance	(4,916)	(4,916)	(3,440)	1,476
Fund Balance at Beginning of Year	(16)	(15)	4,916	4,931
Fund Balance at End of Year	$ (4,932)	(4,931)	1,476	6,407

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

RECORDER/CLERK MODERNIZATION SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Charges for services	$ 2,378	2,378	1,597	(781)
Total revenues	2,378	2,378	1,597	(781)
Expenditures:				
Public protection				
Salaries and benefits	1,166	1,124	1,007	117
Services and supplies	5,922	5,922	1,223	4,699
Other charges	537	537	414	123
Fixed assets	4,079	4,079	70	4,009
Total public protection	11,704	11,662	2,714	8,948
Total expenditures	11,704	11,662	2,714	8,948
Excess (deficiency) of revenues over (under) expenditures	(9,326)	(9,284)	(1,117)	8,167
Other Financing Uses:				
Transfers out		(42)	(42)	
Total other financing uses		(42)	(42)	
Net change in fund balance	(9,326)	(9,326)	(1,159)	8,167
Fund Balance at Beginning of Year	1	1	10,730	10,729
Fund Balance at End of Year	$ (9,325)	(9,325)	9,571	18,896

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

REDEVELOPMENT AGENCY SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 2,281	2,281	3,541	1,260
Use of money and property	87	87	813	726
Other revenue	70	70	1,035	965
Total revenues	2,438	2,438	5,389	2,951
Expenditures:				
Current:				
Public assistance				
Services and supplies	16,018	15,774	5	15,769
Other charges	1,247	1,247	24	1,223
Fixed assets	865	1,109	1,109	
Total public assistance	18,130	18,130	1,138	16,992
Debt service:				
Interest	790	79	79	
Total expenditures	18,920	18,209	1,217	16,992
Excess (deficiency) of revenues over (under) expenditures	(16,482)	(15,771)	4,172	19,943
Other Financing Uses:				
Transfers out	(100)	(100)	(1,044)	(944)
Total other financing uses	(100)	(100)	(1,044)	(944)
Net change in fund balance	(16,582)	(15,871)	3,128	18,999
Fund Balance at Beginning of Year	(4,618)	(4,618)	15,862	20,480
Fund Balance at End of Year	$ (21,200)	(20,489)	18,990	39,479

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

CHILD DEVELOPMENT SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Use of money and property	$ 2	2	16	14
Intergovernmental	10,221	16,563	17,732	1,169
Other revenue	7,066	7,066	5,312	(1,754)
Total revenues	17,289	23,631	23,060	(571)
Expenditures:				
Current:				
Public assistance				
Salaries and benefits	5,930	6,218	6,052	166
Services and supplies	1,619	2,312	1,903	409
Other charges	9	2,735	2,592	143
Fixed assets	90	103	102	1
Expenditure transfers	10,076	12,468	12,468	
Total public assistance	17,724	23,836	23,117	719
Debt Service:				
Interest	2	2	2	
Total expenditures	17,726	23,838	23,119	719
Excess of revenues over expenditures	(437)	(207)	(59)	148
Other Financing Uses:				
Transfers out		(230)	(230)	
Total other financing uses		(230)	(230)	
Net change in fund balance	(437)	(437)	(289)	148
Fund Balance at Beginning of Year	401	401	500	99
Fund Balance at End of Year	$ (36)	(36)	211	247

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental	$ 1,593	1,593	1,598	5
Other revenue	364	364	174	(190)
Total revenues	1,957	1,957	1,772	(185)
Expenditures:				
Public assistance				
Salaries and benefits	1,388	1,342	1,171	171
Services and supplies	409	276	266	10
Other charges	159	339	335	4
Total public assistance	1,956	1,957	1,772	185
Total expenditures	1,956	1,957	1,772	185
Excess (deficiency) of revenues over (under) expenditures	1			
Net change in fund balance	1			
Fund Balance at Beginning of Year	(385)	(386)	12	398
Fund Balance at End of Year	$ (384)	(386)	12	398

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

OTHER SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 1,295	1,336	501	(835)
Licenses, permits and franchise fees	105	105	103	(2)
Fines, forfeitures and penalties	43	43	66	23
Use of money and property	347	1,799	2,561	762
Intergovernmental	20,548	20,601	18,701	(1,900)
Charges for services	2,223	2,223	2,891	668
Other revenue	1,638	1,638	3,453	1,815
Total revenues	26,199	27,745	28,276	531
Expenditures:				
Current:				
General government				
Services and supplies	658	628	25	603
Other charges	131	161	31	130
Expenditure transfers	91	91	71	20
Total general government	880	880	127	753
Public protection				
Salaries and benefits	17,574	16,339	15,685	654
Services and supplies	1,230	6,039	3,827	2,212
Other charges	2,717	2,760	991	1,769
Fixed assets	16	255	239	16
Expenditure transfers	680	819	819	
Total public protection	22,217	26,212	21,561	4,651
Public assistance				
Salaries and benefits	183	193	193	
Services and supplies	8,164	8,178	1,360	6,818
Other charges	593	703	326	377
Expenditure transfers	500	500	343	157
Total public assistance	9,440	9,574	2,222	7,352
Public ways and facilities				
Services and supplies	73	39		39
Other charges		13	13	
Expenditure transfers		21	20	1
Total public ways and facilities	73	73	33	40
Debt service:				
Interest	192	1,645	1,645	
Total expenditures	32,802	38,384	25,588	12,796
Excess (deficiency) of revenues over (under) expenditures	(6,603)	(10,639)	2,688	13,327
Other Financing Sources (Uses):				
Transfers in	8	8	3,146	3,138
Transfers out	(3,273)	(3,898)	(1,228)	2,670
Premium on debt issued	359	359	359	
Total other financing sources (uses)	(2,906)	(3,531)	2,277	5,808
Net change in fund balance	(9,509)	(14,170)	4,965	19,135
Fund Balance at Beginning of Year	11,304	11,304	26,165	14,861
Fund Balance at End of Year	$ 1,795	(2,866)	31,130	33,996

Nonmajor Debt Service Funds

DEBT SERVICE FUNDS

Debt service funds are used to account for accumulation of resources for, and payment of, principal and interest on the county's general long-term debt.

RECREATION AND PARK BONDS FUND

This fund is used to account for accumulated monies for payment of recreation and park bonds. Financing is provided by specific property tax levies.

STORM DRAINAGE BONDS FUND

This fund is used to account for accumulated monies for payment of storm drainage bonds. Financing is provided by specific property tax levies.

PUBLIC FINANCING AUTHORITY (PFA) FUND

This fund is used to account for accumulated monies for payment of general long-term debt incurred for the various financing activities of the County of Contra Costa Public Financing Authority.

RETIREMENT LITIGATION SETTLEMENT FUND

This fund is used to account for accumulated monies for payment of the additional retirement benefits for retirees from the settlement of Vernon D. Paulson, et. al. vs. Board of Retirement of the Contra Costa County Employees' Retirement Association, et al. The county has entered into an agreement with CCCERA to pay the liability for its share of the additional costs over a twenty year period.

REDEVELOPMENT AGENCY (RDA) FUND

This fund is used to account for accumulated monies for payment of general long-term debt incurred for the purchase of real property within the area of the Redevelopment Agency.

PENSION BOND FUND

This fund is used to account for accumulated monies for payment of taxable pension obligation bonds. These bonds were issued to reduce or extinguish the county's unfunded actuarial accrued liability (UAAL).

CCC FIRE PROTECTION DISTRICT PENSION BOND FUND

This fund is used to account for accumulated monies for payment of taxable pension obligation bonds for the Contra Costa County Fire Protection District. These bonds were issued to reduce or extinguish the fire district's unfunded actuarial accrued liability (UAAL).

ASSESSMENT DISTRICTS FUND

This fund is used to account for the accumulation of monies for payment of assessment district debt issued to fund assessment district capital improvement projects.

COUNTY OF CONTRA COSTA
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
JUNE 30, 2008
(In Thousands)

	Recreation and Park Bonds	Storm Drainage Bonds	Public Financing Authority
Assets:			
Cash and investments	$ 77	1	29
Accounts receivable and accrued revenue			
Due from other funds			
Restricted cash and investments			11,880
Total assets	$ 77	1	11,909
Liabilities and Fund Balances			
Liabilities:			
Accounts payable and accrued liabilities	$		
Due to other funds			2,207
Advance from other funds			
Total liabilities			2,207
Fund Balances:			
Reserved for:			
Debt service	77	1	9,702
Total fund balances	77	1	9,702
Total liabilities and fund balances	$ 77	1	11,909

Retirement Litigation Settlement	Redevelopment Agency	CCC Fire Protection District Pension Bond	County Pension Bond Debt Service	Assessment Districts	Total
	4,251	5,906		1,937	12,201
2,530	49		4,148	3	6,730
230				120	350
	4,312		10,593	2,050	28,835
2,760	8,612	5,906	14,741	4,110	48,116
2,760			5	310	3,075
			11,424		13,631
	104				104
2,760	104		11,429	310	16,810
	8,508	5,906	3,312	3,800	31,306
	8,508	5,906	3,312	3,800	31,306
2,760	8,612	5,906	14,741	4,110	48,116

COUNTY OF CONTRA COSTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

DEBT SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(In Thousands)

	Recreation and Park Bonds	Storm Drainage Bonds	Public Financing Authority
Revenues:			
Taxes	$		
Use of money and property			27,103
Other revenue			
Total revenues			27,103
Expenditures:			
Current:			
General government			7,244
Public protection			
Public assistance	6		
Debt service:			
Principal			11,211
Interest			14,235
Debt issuance cost			363
Total expenditures	6		33,053
Excess (deficiency) of revenues over (under) expenditures	(6)		(5,950)
Other Financing Sources (Uses):			
Transfers in			901
Transfers out			(104)
Issuance of debt			35,285
Proceeds on issuance of debt transferred to the County Hospital enterprise fund			(36,687)
Premium on debt issued			601
Total other financing sources (uses)			(4)
Net change in fund balances	(6)		(5,954)
Fund Balances at Beginning of Year	83	1	15,656
Fund Balances at End of Year	$ 77	1	9,702

Retirement Litigation Settlement	Redevelopment Agency	CCC Fire Protection District Pension Bond	County Pension Bond Debt Service	Assessment Districts	Total
	6,453			13,952	20,405
	264	158	1,417	105	29,047
1		8,861	1,666		10,528
1	6,717	9,019	3,083	14,057	59,980
			8		7,252
		1			1
	1			11,978	11,985
775	815	2,130	22,725	649	38,305
1,985	4,879	6,222	29,339	705	57,365
					363
2,760	5,695	8,353	52,072	13,332	115,271
(2,759)	1,022	666	(48,989)	725	(55,291)
2,759	1,544		49,748		54,952
		(192)		(564)	(860)
					35,285
					(36,687)
					601
2,759	1,544	(192)	49,748	(564)	53,291
	2,566	474	759	161	(2,000)
	5,942	5,432	2,553	3,639	33,306
	8,508	5,906	3,312	3,800	31,306

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

RECREATION AND PARK BONDS DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	$ 529	529		(529)
Intergovernmental	5	5		(5)
Total revenues	534	534		(534)
Expenditures:				
Current:				
Public assistance	73	73	6	67
Debt service:				
Principal	420	420		420
Interest	124	124		124
Total expenditures	617	617	6	611
Excess (deficiency) of revenues over (under) expenditures	(83)	(83)	(6)	77
Net change in fund balance	(83)	(83)	(6)	77
Fund Balance at Beginning of Year	83	83	83	
Fund Balance at End of Year	$		77	77

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

STORM DRAINAGE BONDS DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Total revenues	$			
Expenditures:				
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures				
Net change in fund balance				
Fund Balance at Beginning of Year	1	1	1	
Fund Balance at End of Year	$ 1	1	1	

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

RETIREMENT LITIGATION SETTLEMENT DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Other revenue	$		1	1
Total revenues			1	1
Expenditures:				
Debt service:				
Principal	775	775	775	
Interest	1,985	1,985	1,985	
Total expenditures	2,760	2,760	2,760	
Excess (deficiency) of revenues over (under) expenditures	(2,760)	(2,760)	(2,759)	1
Other Financing Sources:				
Transfers in	2,760	2,760	2,759	(1)
Total other financing sources	2,760	2,760	2,759	(1)
Net change in fund balance				
Fund Balance at Beginning of Year				
Fund Balance at End of Year	$			

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
REDEVELOPMENT AGENCY DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 8,547	8,547	6,453	(2,094)
Use of money and property	1,186	1,186	264	(922)
Total revenues	9,733	9,733	6,717	(3,016)
Expenditures:				
Current:				
Public assistance	3	3	1	2
Debt service:				
Principal	815	815	815	
Interest	8,913	8,913	4,879	4,034
Total expenditures	9,731	9,731	5,695	4,036
Deficiency of revenues under expenditures	2	2	1,022	1,020
Other Financing Sources:				
Transfers in			1,544	1,544
Total other financing sources			1,544	1,544
Net change in fund balance	2	2	2,566	2,564
Fund Balance at Beginning of Year	5,942	5,942	5,942	
Fund Balance at End of Year	$ 5,944	5,944	8,508	2,564

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

CCC FIRE PROTECTION DISTRICT PENSION BOND DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(In Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	$ 205	205	158	(47)
Other revenue	3,088	3,088	8,861	5,773
Total revenues	3,293	3,293	9,019	5,726
Expenditures:				
Current:				
Public protection	173	173	1	172
Debt service:				
Principal	2,130	2,130	2,130	
Interest	6,222	6,222	6,222	
Total expenditures	8,525	8,525	8,353	172
Excess (deficiency) of revenues over (under) expenditures	(5,232)	(5,232)	666	5,898
Other Financing Uses:				
Transfers out	(200)	(200)	(192)	8
Total other financing uses	(200)	(200)	(192)	8
Net change in fund balance	(5,432)	(5,432)	474	5,906
Fund Balance at Beginning of Year	5,432	5,432	5,432	
Fund Balance at End of Year	$		5,906	5,906

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
COUNTY PENSION BOND DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Use of money and property	$ 842	842	1,417	575
Other revenue		1,666	1,666	
Total revenues	842	2,508	3,083	575
Expenditures:				
Current:				
General government	3,395	3,395	8	3,387
Debt service:				
Principal	22,725	22,725	22,725	
Interest	29,339	29,339	29,339	
Total expenditures	55,459	55,459	52,072	3,387
Excess (deficiency) of revenues over (under) expenditures	(54,617)	(52,951)	(48,989)	3,962
Other Financing Sources:				
Transfers in	52,064	50,398	49,748	(650)
Total other financing sources	52,064	50,398	49,748	(650)
Net change in fund balance	(2,553)	(2,553)	759	3,312
Fund Balance at Beginning of Year	2,553	2,553	2,553	
Fund Balance at End of Year	$		3,312	3,312

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

Nonmajor Capital Projects Funds

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for financial resources to be used for the acquisition of land or acquisition and construction of major facilities other than those financed in the proprietary funds.

REDEVELOPMENT AGENCY (RDA) FUND

This fund accounts for the acquisition of real property and construction of improvements thereon in the county's unincorporated areas by the Redevelopment Agency for the purpose of removing or preventing blight.

COUNTY FACILITIES FUND

This fund is used to account for improvements made to Juvenile Hall facilities and other miscellaneous capital projects.

ASSESSMENT DISTRICTS FUND

This fund is used to account for all the capital improvement projects constructed using assessment district funds.

COUNTY OF CONTRA COSTA
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
JUNE 30, 2008
(In Thousands)

	Redevelopment Agency	County Facilities	Assessment Districts	Total
Assets:				
Cash and investments	$ 17,132	9,095	706	26,933
Accounts receivable and accrued revenue (net)	5,201			5,201
Due from other funds	11			11
Notes receivable	22			22
Land held for resale	3,866			3,866
Restricted cash and investments	52,996		3,806	56,802
Total assets	$ 79,228	9,095	4,512	92,835
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	$ 1,181		1	1,182
Due to other funds	853	18,190		19,043
Advances from other funds	1,305			1,305
Deferred revenue	3,954			3,954
Total liabilities	7,293	18,190	1	25,484
Fund balances:				
Reserved for:				
Encumbrances	15,149			15,149
Land held for resale	3,866			3,866
Programs with purpose restrictions	637			637
Escrowed bonds	15,550			15,550
Bond proceeds with eligibility restrictions	26,980			26,980
Unreserved, undesignated	9,753	(9,095)	4,511	5,169
Total fund balances	71,935	(9,095)	4,511	67,351
Total liabilities and fund balances	$ 79,228	9,095	4,512	92,835

COUNTY OF CONTRA COSTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

CAPITAL PROJECTS FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(In Thousands)

	Redevelopment Agency	County Facilities	Assessment Districts	Total
Revenues:				
Taxes	$ 7,728			7,728
Use of money and property	3,089		158	3,247
Intergovernmental	263			263
Other revenue	3,404			3,404
Total revenues	14,484		158	14,642
Expenditures:				
Current:				
Public assistance	32,014	9,095		41,109
Debt service:				
Interest	28			28
Total expenditures	32,042	9,095		41,137
Excess of revenues over expenditures	(17,558)	(9,095)	158	(26,495)
Other Financing Sources (Uses):				
Transfers in	356			356
Transfers out	(500)			(500)
Total other financing sources (uses)	(144)			(144)
Net change in fund balance	(17,702)	(9,095)	158	(26,639)
Fund Balances at Beginning of Year	89,637		4,353	93,990
Fund Balances at End of Year	$ 71,935	(9,095)	4,511	67,351

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

REDEVELOPMENT AGENCY CAPITAL PROJECTS FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 6,283	6,283	7,728	1,445
Use of money and property	210	210	3,089	2,879
Intergovernmental	361	361	263	(98)
Other revenue	9,077	9,077	3,404	(5,673)
Total revenues	15,931	15,931	14,484	(1,447)
Expenditures:				
Current:				
Public assistance				
Services and supplies	56,113	56,113	20,909	35,204
Other charges	20,405	20,405	4,652	15,753
Fixed assets	7,015	7,015	5,058	1,957
Expenditure transfers	1,567	1,567	1,395	172
Total public assistance	85,100	85,100	32,014	53,086
Debt service:				
Interest	33	33	28	5
Total expenditures	85,133	85,133	32,042	53,091
Excess (deficiency) of revenues over (under) expenditures	(69,202)	(69,202)	(17,558)	51,644
Other Financing Sources (Uses):				
Transfers in	1,901	1,901	356	(1,545)
Transfers out			(500)	(500)
Total other financing sources (uses)	1,901	1,901	(144)	(2,045)
Net change in fund balance	(67,301)	(67,301)	(17,702)	49,599
Fund Balance at Beginning of Year	272	271	89,637	89,366
Fund Balance at End of Year	$ (67,029)	(67,030)	71,935	138,965

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
COUNTY FACILITIES CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Use of money and property	$			
Other revenue				
Total revenues				
Expenditures:				
Current:				
Public assistance				
Fixed assets			9,095	(9,095) [1]
Total expenditures			9,095	(9,095)
Excess (deficiency) of revenues over (under) expenditures			(9,095)	(9,095)
Net change in fund balance			(9,095)	(9,095)
Fund Balance at Beginning of Year	1	(77)		77
Fund Balance at End of Year	$ 1	(77)	(9,095)	(9,018)

[1] See Budgets and Budgetary Accounting (page 98)

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

Nonmajor Governmental Fund

PERMANENT FUND

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs. The county's Permanent Fund is included in the combining financial statements of the nonmajor governmental funds (starting on page 100).

LIBRARY GIFT PERMANENT FUND

This fund is used to account for principal trust amounts received and related interest income. The interest portion of the fund is used to support the county libraries.

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

Nonmajor Enterprise Funds

ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is to have the costs (expenses, including depreciation and amortization) of providing goods or services to the general public on a continuing basis be financed primarily through user charges; or where the county has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

AIRPORT FUND

This fund was established to account for the financial activities of the Buchanan Field and Byron Airport aviation facilities. Revenues include receipts under rental and lease arrangements involving county airport facilities, and state and federal aid.

SHERIFF LAW ENFORCEMENT TRAINING CENTER FUND

This fund was established to account for the financial activities of the Sheriff Law Enforcement Training Center. The center provides training to law enforcement personnel from the County Sheriff's Office and other agencies. Revenues include tuition fees paid by the student or law enforcement agency and state aid.

CHILD CARE ENTERPRISE

This fund was established to account for the fee-for-service childcare program through the Community Services Bureau. This program was established to meet the needs of families who do not qualify for Child Development programs due to a higher family income yet cannot afford to pay the cost of the market rate for childcare. Revenues will be generated by the program fees for childcare. The revenues are expected to cover the cost of the program operation.

HMO MEDI-CAL PLAN

Revenues and expenditures are capitation payments and costs related to Medi-Cal eligible's enrolled in the Medi-Cal Plan.

HMO COMMERCIAL PLAN

Revenues and expenditures are related to Medicare, county employees, and private citizens enrolled in the Commercial Plan. In addition to monthly insurance capitation payments, revenues include realignment funds, National Master Tobacco Settlement funds, and subsidies from the General Fund.

MAJOR RISK MEDICAL INSURANCE FUND

Revenues and Expenditures related to residents who qualify for the State sponsored Aid to Infants and Mothers (AIM) Program and the Major Risk Medical Insurance Program (MRMIP).

COUNTY OF CONTRA COSTA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2008
(In Thousands)

	Airport	Sheriff Law Enforcement Training Center	Child Care Enterprise
Assets:			
Current assets:			
Cash and investments	$ 1,204		1
Accounts receivable and accrued revenue (net)	107	17	2
Inventories	43		
Due from other funds	1	124	1
Prepaid items and deposits	63	61	
Total current assets	1,418	202	4
Noncurrent assets:			
Restricted cash and investments	20		
Capital assets:			
Nondepreciable	12,382		
Depreciable, net	9,207	304	
Total noncurrent assets	21,609	304	
Total assets	$ 23,027	506	4
Liabilities and Net Assets			
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	$ 450	80	
Accrued interest payable	6		
Due to other funds	141	847	3
Deferred revenue	678		
Current portion of long-term liabilities	336	3	
Total current liabilities	1,611	930	3
Noncurrent portion of long-term liabilities:			
Capital lease obligations	513		
Compensated absences	96	31	
Total noncurrent portion of long-term liabilities	609	31	
Total liabilities	2,220	961	3
Net Assets (Deficit):			
Invested in capital assets, net of related debt	20,751	304	
Restricted			
Unrestricted (deficit)	56	(759)	1
Total net assets (deficit)	20,807	(455)	1
Total liabilities and net assets	$ 23,027	506	4

HMO Medi-Cal Plan	HMO Commercial Plan	Major Risk Medical Insurance	Total
14,405	728	206	16,544
846	2,480	233	3,685
			43
4,901	13,045	22	18,094
			124
20,152	16,253	461	38,490
			20
			12,382
27			9,538
27			21,940
20,179	16,253	461	60,430
13,918	1,048	9	15,505
			6
3,178	11,375	24	15,568
			678
43			382
17,139	12,423	33	32,139
			513
385			512
385			1,025
17,524	12,423	33	33,164
27			21,082
		428	428
2,628	3,830		5,756
2,655	3,830	428	27,266
20,179	16,253	461	60,430

COUNTY OF CONTRA COSTA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

(In Thousands)

	Airport	Sheriff Law Enforcement Training Center	Child Care Enterprise
Operating Revenues:			
Use of money and property	$ 3,420		
Charges for services	13	879	
Other revenue	355	17	7
Total operating revenues	3,788	896	7
Operating Expenses:			
Salaries and employee benefits	1,839	979	
Services and supplies	866	169	
Other charges	558	152	
Expenditure transfers	186		6
Depreciation	1,693	31	
Total operating expenses	5,142	1,331	6
Operating income (loss)	(1,354)	(435)	1
Nonoperating Revenues (Expenses):			
State and federal grants	222	237	
Investment income	2		
Interest expense	(41)		
Total nonoperating revenues (expenses)	183	237	
Income (Loss) Before Transfers	(1,171)	(198)	1
Transfers in		124	
Transfers out	(150)	(53)	
Change in net assets	(1,321)	(127)	1
Total Net Assets at Beginning of Year	22,128	(328)	
Total Net Assets at End of Year	$ 20,807	(455)	1

HMO Medi-Cal Plan	HMO Commercial Plan	Major Risk Medical Insurance	Total
18	531	6	3,975
86,145	64,715	1,358	153,110
			379
86,163	65,246	1,364	157,464
10,487			13,305
70,199	100,850	1,288	173,372
4,932			5,642
			192
9			1,733
85,627	100,850	1,288	194,244
536	(35,604)	76	(36,780)
	30,117		30,576
			2
(18)	(5)		(64)
(18)	30,112		30,514
518	(5,492)	76	(6,266)
	5,641		5,765
(421)			(624)
97	149	76	(1,125)
2,558	3,681	352	28,391
2,655	3,830	428	27,266

COUNTY OF CONTRA COSTA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(In Thousands)

	Airport	Sheriff Law Enforcement Training Center	Child Care Enterprise
Cash Flows from Operating Activities:			
Cash received from customers/other funds	$ 4,943	1,437	4
Cash payment to suppliers for goods and services	(1,821)	(757)	(3)
Cash payment to employees for services	(1,857)	(988)	
Net Cash Provided by Operating Activities	1,265	(308)	1
Cash Flows from Noncapital Financing Activities:			
State and federal grants	222	237	
Transfers received		124	
Transfers paid	(150)	(53)	
Net Cash Provided by (Used for) Noncapital Financing Activities	72	308	
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(1,257)		
Interest paid	(35)		
Lease purchase obligation principal payment	(311)		
Net Cash Used in Capital and Related Financing Activities	(1,603)		
Cash Flows from Investing Activities:			
Interest received on investments	2		
Net Cash Provided by Investing Activities	2		
Net Increase (Decrease) in Cash and Cash Equivalents	(264)		1
Cash and Cash Equivalents at Beginning of Year	1,488		
Cash and Cash Equivalents at End of Year	$ 1,224		1
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	$ (1,354)	(435)	1
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	1,693	31	
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Accounts receivable and accrued revenue	1,154	76	(2)
Inventories	(38)		
Due from other funds	8	465	(1)
Prepaid items and deposits	(63)	(61)	
Increase (decrease) in:			
Accounts payable and accrued liabilities	(142)	(15)	
Due to other funds	14	(360)	3
Deferred revenue	(7)		
Compensated absences		(9)	
Net Cash Provided by (Used in) Operating Activities	$ 1,265	(308)	1
Noncash capital financing activities (Airport):			
Change in accrued interest	$ 6		

HMO Medi-Cal Plan	HMO Commercial Plan	Major Risk Medical Insurance	Total
87,589	55,944	1,110	151,027
(74,074)	(105,647)	(1,328)	(183,630)
(10,268)			(13,113)
3,247	(49,703)	(218)	(45,716)
	30,117		30,576
	5,641		5,765
(421)			(624)
(421)	35,758		35,717
			(1,257)
(18)	(5)		(58)
			(311)
(18)	(5)		(1,626)
			2
			2
2,808	(13,950)	(218)	(11,623)
11,597	14,678	424	28,187
14,405	728	206	16,564
536	(35,604)	76	(36,780)
9			1,733
82	2,371	(231)	3,450
			(38)
1,341	(11,672)	(22)	(9,881)
			(124)
528	(5,907)	3	(5,533)
666	1,335	(44)	1,614
	(226)		(233)
85			76
3,247	(49,703)	(218)	(45,716)

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

INTERNAL SERVICE FUNDS

SELF-INSURANCE FUNDS

These funds are used to account for administrative costs and payments of claims under the various insurance programs. Revenues are primarily premiums paid by other operating funds and interest on investments. The insurance programs are:

Employee Dental Insurance
Long-Term Disability Insurance (Management Employees)
Workers' Compensation Insurance
- County General
- Fire Protection

Automotive Liability Insurance
Public (General) Liability Insurance
State Unemployment Insurance
Medical Liability Insurance
Special District Property Insurance

COUNTY OF CONTRA COSTA
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
JUNE 30, 2008
(In Thousands)

	Employee Dental Insurance	Long-Term Disability Insurance	Workers' Compensation Insurance County General	Workers' Compensation Insurance Fire Protection
Assets:				
Cash and investments	$ 3,676	1,601	81,113	21,720
Accounts receivable and accrued revenue (net)			3,004	879
Due from other funds			190	32
Total assets	$ 3,676	1,601	84,307	22,631
Liabilities and Equity:				
Liabilities:				
Accounts payable	$		1	
Due to other funds	51	6	558	92
Claims payable:				
Current	649	426	21,825	4,377
Noncurrent			44,502	12,826
Total liabilities	700	432	66,886	17,295
Net Assets:				
Unrestricted net assets	2,976	1,169	17,421	5,336
Total net assets	2,976	1,169	17,421	5,336
Total liabilities and net assets	$ 3,676	1,601	84,307	22,631

Automotive Liability Insurance	Public Liability Insurance	State Unemployment Insurance	Medical Liability Insurance	Special District Property Insurance	Total
3,332	24,214	2,574	7,195	1,513	146,938
30	387	104	48	11	4,463
80	72	1	55		430
3,442	24,673	2,679	7,298	1,524	151,831
		1			2
9	1,172	14	28	1	1,931
176	3,006	221	840		31,520
1,039	12,429		4,837		75,633
1,224	16,607	236	5,705	1	109,086
2,218	8,066	2,443	1,593	1,523	42,745
2,218	8,066	2,443	1,593	1,523	42,745
3,442	24,673	2,679	7,298	1,524	151,831

COUNTY OF CONTRA COSTA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(In Thousands)

	Employee Dental Insurance	Long-Term Disability Insurance	Workers' Compensation Insurance County General	Workers' Compensation Insurance Fire Protection
Operating Revenues:				
Charges for services	$ 9,857		36,312	10,166
Total operating revenues	9,857		36,312	10,166
Operating Expenses:				
Services and supplies	297	25	5,878	515
Benefit and claim expense	9,120	835	9,000	4,671
Total operating expenses	9,417	860	14,878	5,186
Operating Income (Loss)	440	(860)	21,434	4,980
Nonoperating Revenues:				
State and federal grants				
Investment income	51	78	3,820	607
Income (loss) before transfers	491	(782)	25,254	5,587
Transfers in				
Transfers out				
Change in net assets	491	(782)	25,254	5,587
Total Net Assets at Beginning of Year	2,485	1,951	(7,833)	(251)
Total Net Assets at End of Year	$ 2,976	1,169	17,421	5,336

Automotive Liability Insurance	Public Liability Insurance	State Unemployment Insurance	Medical Liability Insurance	Special District Property Insurance	Total
828	4,038	1,171	50	1,142	63,564
828	4,038	1,171	50	1,142	63,564
635	3,164	14	395	1,363	12,286
334		1,295	1,311	280	26,846
969	3,164	1,309	1,706	1,643	39,132
(141)	874	(138)	(1,656)	(501)	24,432
45	1,212	79		100	5,992
(96)	2,086	(59)	(1,656)	(401)	30,424
			4,000		4,000
	(102)				(102)
(96)	1,984	(59)	2,344	(401)	34,322
2,314	6,082	2,502	(751)	1,924	8,423
2,218	8,066	2,443	1,593	1,523	42,745

COUNTY OF CONTRA COSTA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(In Thousands)

	Employee Dental Insurance	Long-Term Disability Insurance	Workers' Compensation Insurance County General
Cash Flows from Operating Activities:			
Cash received from customers/other funds	$ 9,857		36,172
Cash payment to suppliers for goods and services	(9,238)	(830)	(20,848)
Net Cash Provided by (Used for) Operating Activities	619	(830)	15,324
Cash Flows from Noncapital Financing Activities:			
State and federal grants			
Transfers received			
Transfers paid out			
Net Cash Provided by Noncapital Financing Activities			
Cash Flows from Investing Activities:			
Interest received on investments	51	78	3,820
Net Cash Provided by Investing Activities	51	78	3,820
Net Increase (Decrease) in Cash and Cash Equivalents	670	(752)	19,144
Cash and Cash Equivalents at Beginning of Year	3,006	2,353	61,969
Cash and Cash Equivalents at End of Year	$ 3,676	1,601	81,113
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	$ 440	(860)	21,434
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Accounts receivable and accrued revenue			50
Due from other funds			(190)
Increase (decrease) in:			
Accounts payable and accrued liabilities	177	30	(5,845)
Due to other funds	2		(125)
Net Cash Provided by (Used for) Operating Activities	$ 619	(830)	15,324

Workers' Compensation Insurance Fire Protection	Automotive Liability Insurance	Public Liability Insurance	State Unemployment Insurance	Medical Liability Insurance	Special District Property Insurance	Total
10,031	787	3,581	1,165	(53)	1,132	62,672
(3,264)	(1,203)	(5,759)	(1,308)	(3,047)	(1,643)	(47,140)
6,767	(416)	(2,178)	(143)	(3,100)	(511)	15,532
				4,000		4,000
		(102)				(102)
		(102)		4,000		3,898
607	45	1,212	79		100	5,992
607	45	1,212	79		100	5,992
7,374	(371)	(1,068)	(64)	900	(411)	25,422
14,346	3,703	25,282	2,638	6,295	1,924	121,516
21,720	3,332	24,214	2,574	7,195	1,513	146,938
4,980	(141)	874	(138)	(1,656)	(501)	24,432
(114)	(29)	(385)	(5)	(48)	(10)	(541)
(17)	(12)	(72)	(1)	(55)	(46)	(393)
1,928	(233)	(3,447)	1	(1,311)		(8,700)
(10)	(1)	852		(30)	46	734
6,767	(416)	(2,178)	(143)	(3,100)	(511)	15,532

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

FIDUCIARY FUNDS

AGENCY FUNDS

TAX LOSSES RESERVE

This fund was established as a reserve for all delinquent secured taxes. It accumulates gains from tax sales and specified amounts of penalties and interest collected on delinquent secured taxes to cover possible future losses on the sale of tax-deeded property.

UNAPPORTIONED TAXES

This fund is used to account for unsecured taxes receivable, delinquent secured taxes, amounts which are impounded because of disputes or litigation and amounts held pending authority for apportionment.

OTHER AGENCIES

This fund is used to account for assets held by the county for individuals, private organizations and other governmental units. This fund includes payroll deduction clearing and other collections clearing monies.

COUNTY OF CONTRA COSTA

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(In Thousands)

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
Tax Losses Reserve:				
Assets:				
Cash and investments	$ 34,152	20,542	8,328	46,366
Due from other governments	7,407	8,808	7,407	8,808
Total assets	$ 41,559	29,350	15,735	55,174
Liabilities:				
Due to other governments	$ 8,000	10,000	8,000	10,000
Tax loss guarantees	33,559	21,944	10,329	45,174
Total liabilities	$ 41,559	31,944	18,329	55,174
Unapportioned Taxes:				
Assets:				
Accounts receivable	$ 45,715	135,335	92,414	88,636
Due from other governments	78,354		78,354	
Taxes receivable	215,857	1,339,042	1,300,103	254,796
Total assets	$ 339,926	1,474,377	1,470,871	343,432
Liabilities:				
Accounts payable	$ 77,613	166,065	136,652	107,026
Due to other governments	152,354	133,303	152,354	133,303
Unapportioned taxes	109,959	1,628,206	1,635,062	103,103
Total liabilities	$ 339,926	1,927,574	1,924,068	343,432
Other Agencies:				
Assets:				
Cash and investments	$ 105,135	1,662,207	1,678,907	88,435
Accounts receivable	17,578	13,952	19,052	12,478
Due from other governments		2,661	2,661	
Total assets	$ 122,713	1,678,820	1,700,620	100,913
Liabilities:				
Warrants outstanding	$ 36,114	688,550	699,840	24,824
Accounts payable	22,133	845,430	851,284	16,279
Due to other governments		8,814	8,814	
Due to other agencies and districts	64,466	283,708	288,364	59,810
Total liabilities	$ 122,713	1,826,502	1,848,302	100,913

(Continued)

COUNTY OF CONTRA COSTA

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(In Thousands)

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
Totals-Agency Funds:				
Assets:				
Cash and investments	$ 139,287	1,682,749	1,687,235	134,801
Accounts receivable	63,293	149,287	111,466	101,114
Due from other governments	85,761	11,469	88,422	8,808
Taxes receivable	215,857	1,339,042	1,300,103	254,796
Total assets	$ 504,198	3,182,547	3,187,226	499,519
Liabilities:				
Warrants outstanding	$ 36,114	688,550	699,840	24,824
Accounts payable	99,746	1,011,495	987,936	123,305
Due to other governments	160,354	152,117	169,168	143,303
Unapportioned taxes	109,959	1,628,206	1,635,062	103,103
Tax loss guarantees	33,559	21,944	10,329	45,174
Due to other agencies and districts	64,466	283,708	288,364	59,810
Total liabilities	$ 504,198	3,786,020	3,790,699	499,519

(concluded)

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

Statistical Section

COUNTY OF CONTRA COSTA

Statistical Section

This part of the county's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the county's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the county's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the county's most significant local revenue source, property taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the county's current levels of outstanding debt and the county's ability to issue additional debt in the future.

Economic & Demographic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the county's financial activities take place.

Operating Information

These schedules contain service and capital asset data to help the reader understand how the information in the county's financial report relates to the services the county provides and the activities it performs.

Note: The county implemented GASB Statement No. 34 in FY 2001-02. Schedules presenting government-wide information include information beginning in that year.

COUNTY OF CONTRA COSTA

NET ASSETS BY COMPONENT[1]

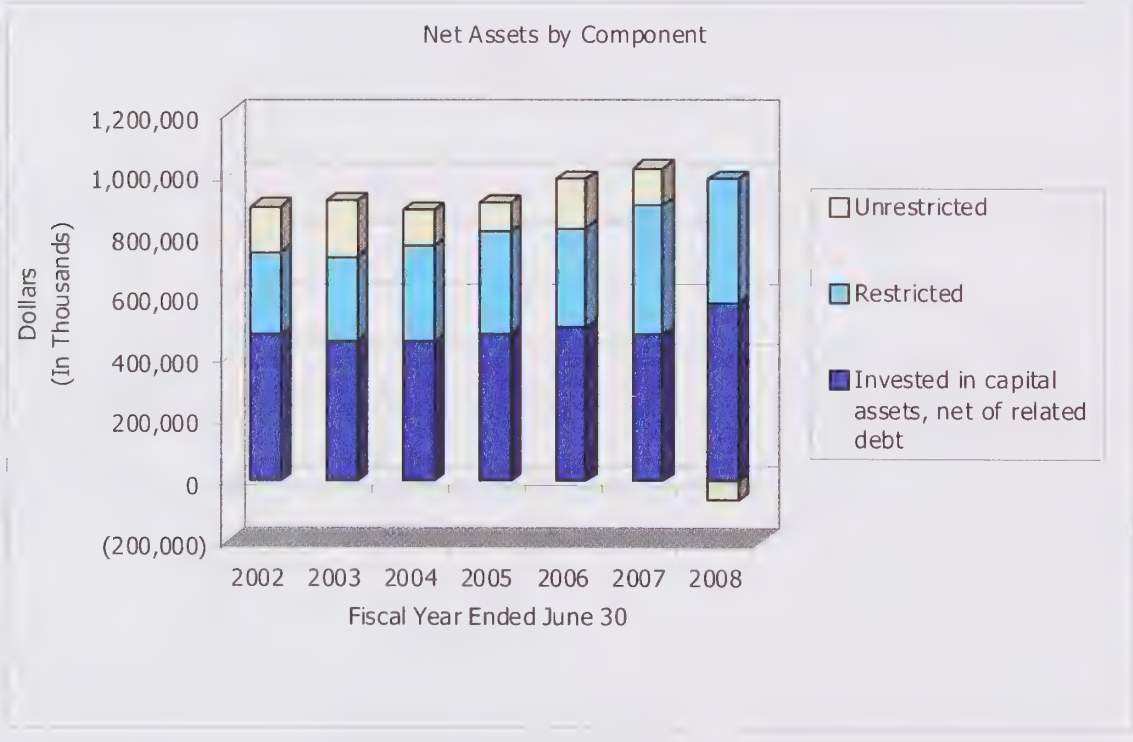
LAST SEVEN FISCAL YEARS

(Accrual basis of accounting)

(In Thousands)

(Unaudited)

	Fiscal Year Ending June 30						
	2002	2003	2004	2005	2006	2007	2008
Governmental activities							
Invested in capital assets, net of related debt[2]	$ 437,866	415,444	400,332	420,834	436,879	415,045	524,350
Restricted	259,481	264,054	303,797	319,706	309,387	401,842	380,563
Unrestricted	131,292	161,121	70,953	58,002	136,193	104,895	(75,238)
Total governmental activities net assets	828,639	840,619	775,082	798,542	882,459	921,782	829,675
Business-type activities							
Invested in capital assets, net of related debt	38,558	41,987	52,808	58,366	63,957	62,470	57,778
Restricted	11,376	10,535	10,535	13,132	14,242	18,483	24,591
Unrestricted	16,798	22,929	45,146	37,935	23,257	17,559	10,487
Total business-type activities net assets	66,732	75,451	108,489	109,433	101,456	98,512	92,856
Primary government							
Invested in capital assets, net of related debt	476,424	457,431	453,140	479,200	500,836	477,515	582,128
Restricted	270,857	274,589	314,332	332,838	323,629	420,325	405,154
Unrestricted	148,090	184,050	116,099	95,937	159,450	122,454	(64,751)
Total primary governmental net assets	$ 895,371	916,070	883,571	907,975	983,915	1,020,294	922,531



[1] Accounting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. Net assets are considered restricted only when an external party, such as to state or federal government, places a restriction on how the resources may be used, or through enabling legislation enacted by the county.

[2] Capital assets include land, easements, infrastructure, construction in progress, structures & improvements, and equipment.

Trend data is only available for the last seven fiscal years due to the implementation of GASB 34 in fiscal year ending June 30, 2002.

Source: Comprehensive Annual Financial Report - County of Contra Costa, California

COUNTY OF CONTRA COSTA
CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS
(Accrual basis of accounting)
(In Thousands)
(Unaudited)

	Fiscal Year Ending June 30						
	2002	2003	2004	2005	2006	2007	2008
Expenses							
Governmental activities							
General government	$ 115,534	91,367	103,796	129,016	166,470	165,911	211,224
Public protection	365,757	403,297	421,782	441,068	451,053	500,698	566,154
Health and sanitation	184,109	209,772	220,135	201,567	185,966	181,922	234,551
Public assistance	328,450	372,499	391,906	391,620	396,538	426,503	468,892
Education	16,364	18,822	20,217	21,321	22,647	25,452	30,040
Public ways and facilities	56,197	58,886	56,983	63,648	76,561	99,630	86,443
Recreation and culture	793	875	1,294	1,421	1,425	1,298	1,141
Interest on debt	36,340	33,029	48,072	48,855	55,532	81,243	73,873
Total government activities expenses	1,103,544	1,188,547	1,264,185	1,298,516	1,356,192	1,482,657	1,672,318
Business-type activities							
County Hospital	229,584	245,497	275,301	306,871	310,911	325,208	353,511
Housing Authority	65,038	82,591	99,676	101,331	97,351	97,278	98,849
Airport	4,323	4,554	4,668	4,903	5,239	4,972	5,183
Sheriff Law Enforcement Training Center	1,106	1,578	1,435	1,288	1,319	1,504	1,331
Child Care Enterprise							6
Health Maintenance Organization [1]	112,386	117,677	136,374	142,887			
HMO Medi-Cal Plan					69,434	81,703	85,645
HMO Commercial Plan					83,654	90,646	100,855
Major risk medical insurance	931	1,744	1,104	1,819	1,625	1,892	1,288
Total business-type activities expenses	413,368	453,641	518,558	559,099	569,533	603,203	646,668
Total primary government expenses	$ 1,516,912	1,642,188	1,782,743	1,857,615	1,925,725	2,085,860	2,318,986
Program revenues							
Governmental activities							
Charges for services							
General government	$ 73,680	71,976	94,121	81,289	92,169	97,371	102,339
Public protection	100,344	117,342	119,133	122,919	137,069	140,065	135,403
Health and sanitation	51,533	60,587	66,577	61,930	64,221	64,449	65,823
Public assistance	1,648	2,121	1,456	2,895	1,898	2,323	3,068
Education	738	687	984	848	838	866	923
Public ways and facilities	22,557	24,643	25,273	22,737	28,971	22,240	28,133
Recreation and culture	36	19	36	33	108	144	214
Operating grants and contributions	544,900	538,684	540,138	584,347	631,510	660,371	673,571
Capital grants and contributions	12,573	12,332	6,124	5,629	5,726	8,970	21,797
Total government activities program revenues	808,009	828,391	853,842	882,627	962,510	996,799	1,031,271
Business-type activities							
Charges for services							
County Hospital	178,040	209,779	247,712	271,216	246,452	248,401	271,565
Housing Authority	3,536	3,466	3,667	3,885	5,405	6,164	5,406
Airport	3,002	2,957	3,065	3,090	3,107	3,321	3,433
Sheriff Law Enforcement Training Center	200	587	705	826	982	927	879
Childcare Enterprise							
Health Maintenance Organization [1]	105,157	113,298	123,488	128,742			
HMO Medi-Cal Plan					67,126	77,261	86,163
HMO Commercial Plan					65,111	62,010	65,246
Major risk medical insurance	931	1,662	1,723	1,723	1,953	1,383	1,364
Operating grants and contributions	94,474	103,347	118,574	120,955	125,763	134,915	145,413
Capital grants and contributions	7,194	4,595	5,201	7,941	7,945	8,866	7,239
Total business-type activities program revenues	392,534	439,691	504,135	538,378	523,844	543,248	586,708
Total primary government program revenues	$ 1,200,543	1,268,082	1,357,977	1,421,005	1,486,354	1,540,047	1,617,979
Net (Expense)/Revenue[2]							
Government activities	$ (295,535)	(360,156)	(410,343)	(415,889)	(393,682)	(485,858)	(641,047)
Business-type activities	(20,834)	(13,950)	(14,423)	(20,721)	(45,689)	(59,955)	(59,960)
Total primary government net expense	$ (316,369)	(374,106)	(424,766)	(436,610)	(439,371)	(545,813)	(701,007)

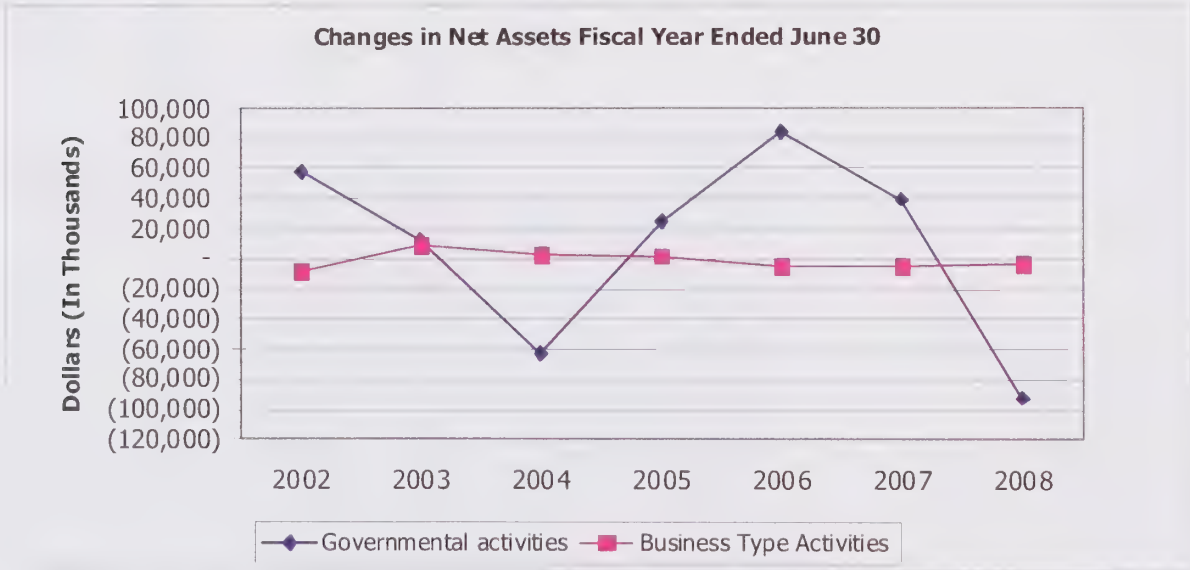
[1] For fiscal years 2002-2005 the fund was the Health Maintenance Organization. Beginning in 2006 the fund was split into HMO-Medical Plan and HMO-Commercial Plan.

[2] Net (expense)/revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program supports itself with its own fees and grants versus its reliance upon funding from taxes and other general revenues. Numbers in parentheses are net expenses, indicating that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program.

(Continued)

COUNTY OF CONTRA COSTA
CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS
(Accrual basis of accounting)
(In Thousands)
(Unaudited)

	Fiscal Year Ending June 30						
	2002	2003	2004	2005	2006	2007	2008
General Revenues and Other Changes in Net Assets							
Governmental activities							
Taxes							
Property	$ 211,376	227,113	250,620	266,043	386,558	437,658	459,739
Sales	11,616	10,966	10,310	10,811	12,175	13,064	14,073
Other	15,692	18,841	15,782	16,214	15,869	16,941	22,179
Grants/contributions not restricted	77,741	83,035	69,341	107,861	20,326	16,120	11,300
Investment earnings	27,035	18,347	13,336	31,608	48,254	62,024	60,239
Miscellaneous	20,158	36,140	35,815	29,587	33,048	32,661	35,344
Special item - retirement litigation settlement[1]			(31,979)				
Transfers	(11,063)	(22,306)	(15,900)	(21,836)	(38,631)	(53,287)	(53,934)
Total governmental activities	352,555	372,136	347,325	440,288	477,599	525,181	548,940
Business-type activities							
Investment earnings	298	376	12	134	49	386	455
Gain (loss) on sale of capital assets		(564)			(167)		
Other	1,076	551	609	596	1,841	1,082	1,746
Transfers	11,063	22,306	15,900	21,836	38,631	53,287	53,934
Total business-type activities	12,437	22,669	16,521	22,566	40,354	54,755	56,135
Total primary government	$ 364,992	394,805	363,846	462,854	517,953	579,936	605,075
Change in Net Assets							
Governmental activities	$ 57,020	11,980	(63,018)	24,399	83,917	39,323	(92,107)
Business-type activities	(8,397)	8,719	2,098	1,845	(5,335)	(5,200)	(3,825)
Total primary government	$ 48,623	20,699	(60,920)	26,244	78,582	34,123	(95,932)

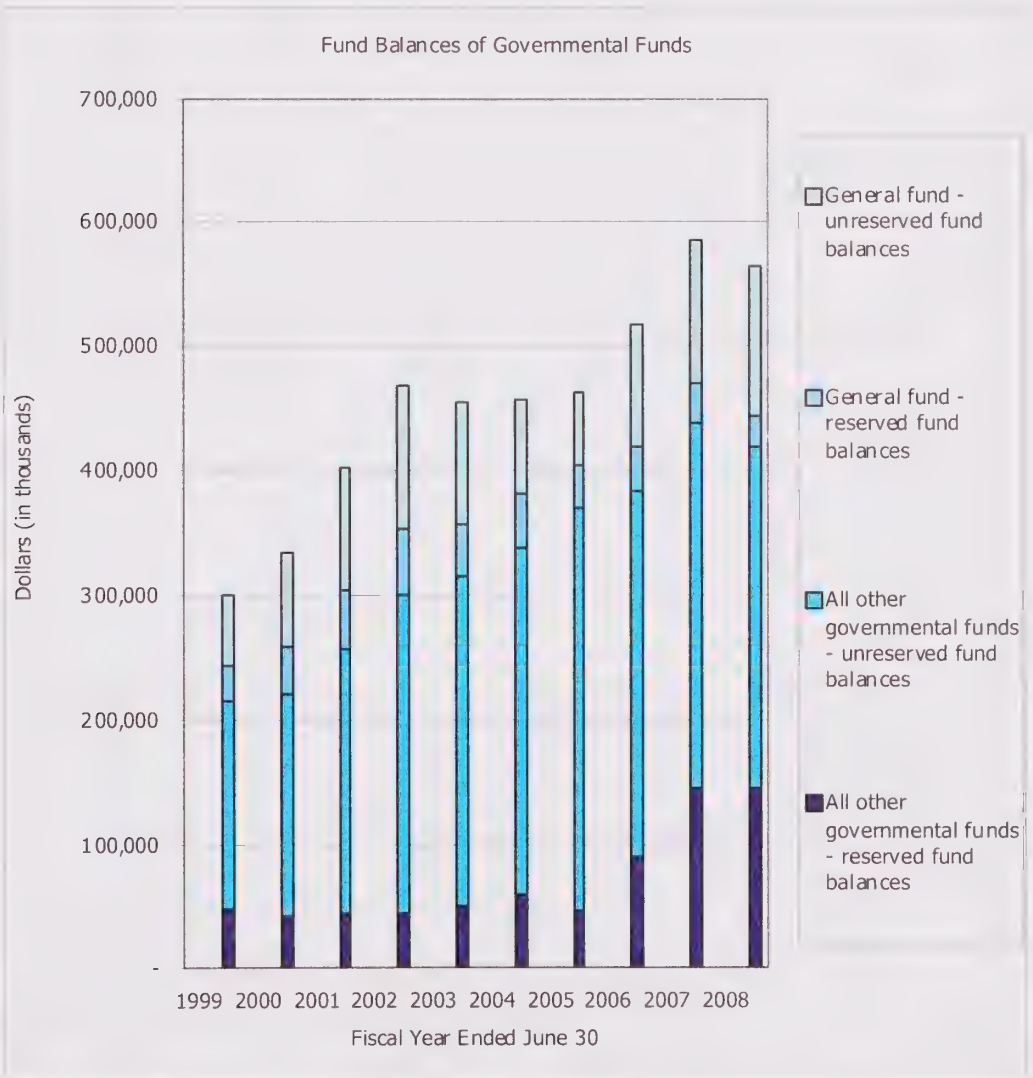


[1] During the year ended December 31, 1999, CCCERA settled its litigation, entitled Vernon D. Paulson, et al. v. Board of Retirement of the Contra Costa Employee's Retirement Association, et al. The consolidated lawsuit was brought on behalf of retired members of CCCERA regarding the inclusions and the exclusions from "final" compensation that are used in calculating members' retirement benefits as a result of the Ventura Decision. The final expense related to the settlement was determined and recorded in FY 2003/04.

(Concluded)

COUNTY OF CONTRA COSTA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)
(In Thousands)
(Unaudited)

	Fiscal Year Ending June 30									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved	$ 28,978	36,920	46,904	53,744	41,044	43,998	34,404	35,764	33,003	24,098
Unreserved	56,452	75,801	97,703	115,658	97,525	75,888	58,659	99,374	116,113	121,516
Total general fund	85,430	112,721	144,607	169,402	138,569	119,886	93,063	135,138	149,116	145,614
All Other Governmental Funds										
Reserved	48,435	43,267	43,578	43,654	50,510	59,159	45,717	89,792	145,213	145,255
Unreserved	165,783	177,205	213,439	255,210	265,006	278,464	324,590	292,812	292,177	274,739
Total all other governmental fund	214,218	220,472	257,017	298,864	315,516	337,623	370,307	382,604	437,390	419,994
Total Governmental Funds										
Reserved	77,413	80,187	90,482	97,398	91,554	103,157	80,121	125,556	178,216	169,353
Unreserved	222,235	253,006	311,142	370,868	362,531	354,352	383,249	392,186	408,290	396,255
Total governmental fund	$ 299,648	333,193	401,624	468,266	454,085	457,509	463,370	517,742	586,506	565,608



Source: Comprehensive Annual Financial Report - County of Contra Costa, California

COUNTY OF CONTRA COSTA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified accrual basis of accounting)

(In Thousands)

(Unaudited)

	1999	2000	2001	2002	2003
Revenues:					
Taxes	$ 192,915	204,383	296,644	322,635	343,321
Licenses, permits and franchise fees	16,221	20,395	25,749	35,277	37,748
Fines, forfeitures and penalties	17,088	19,000	18,296	18,525	18,233
Use of money and property	40,649	37,956	43,632	23,764	16,154
Intergovernmental	502,908	564,289	490,842	545,724	547,651
Charges for services	145,210	169,240	188,545	196,588	219,894
Other revenue	27,283	35,020	27,166	94,280	125,090
Total revenues	942,274	1,050,283	1,090,874	1,236,793	1,308,091
Expenditures:					
Current:					
General government	108,963	101,772	106,380	130,351	135,197
Public protection	287,538	307,260	325,821	378,011	426,662
Health and sanitation	157,041	164,142	161,220	182,164	201,140
Public assistance	289,570	302,690	294,317	337,673	383,360
Education	12,828	14,216	14,589	16,367	18,414
Public ways and facilities	45,855	50,508	54,611	88,830	79,119
Recreation and culture	269	619	426	1,099	716
Debt service:					
Principal	18,552	21,347	25,266	25,110	50,533
Debt issuance cost			1,643	412	441
Refunding bond issuance cost			1,881		
Payment to refunded bond escrow agent	2,214		1,595		3,272
Interest	40,868	39,288	33,443	36,307	31,652
Other charges					
Capital outlay	10,482	23,109	14,830	32,236	2,630
Total expenditures	974,180	1,024,951	1,036,022	1,228,560	1,333,136
Excess of revenues over (under) expenditures	(31,906)	25,332	54,852	8,233	(25,045)
Other Financing Sources (Uses):					
Transfers in	79,411	72,483	67,945	72,230	93,231
Transfers out	(57,592)	(67,941)	(76,188)	(83,293)	(115,537)
Advances from other funds	770				
Proceeds from the sale of real estate				500	500
Proceeds of refunding bonds	111,498		113,389		
Proceeds from issuance of debt			24,897	12,650	348,467
Proceeds on issuance of debt transferred to business-type activities					
Proceeds on issuance of debt transferred to the investment trust funds					
Premium on debt issued					
Discount on debt issued					
Payment to retirement trustee					(319,095)
Payment to refund bonds			(94,944)		
Payment to refunded bond escrow agent	(45,814)		(16,231)		(329)
Capital lease financing	3,173	5,500	1,269	9,907	3,627
Total other financing sources (uses)	91,446	10,042	20,137	11,994	10,864
Net change in fund balances	59,540	35,374	74,989	20,227	(14,181)
Fund Balances at Beginning of Year, as Previously Reported	240,108	299,648	333,193	401,624	468,266
Adjustments to beginning fund balances		(1,829)	(6,558)	46,415	
Fund Balances at Beginning of Year, as Restated	240,108	297,819	326,635	448,039	468,266
Residual equity transfers in	1,640	200			
Residual equity transfers out	(1,640)	(200)			
Fund Balances at End of Year	$ 299,648	333,193	401,624	468,266	454,085
Debt Service:					
Principal	$ 18,552	21,347	25,266	25,110	50,533
Interest	40,868	39,288	33,443	36,307	31,652
Total Debt Service	$ 59,420	60,635	58,709	61,417	82,185
NonCapital Expenditures:					
Total Expenditures	$ 974,180	1,024,951	1,036,022	1,228,560	1,333,136
Less: Capital Outlays					
Capital Outlays	10,482	23,109	14,830	32,236	2,630
Capital Outlays included in Function Expenditures				56,441	73,622
Total NonCapital Expenditures	$ 963,698	1,001,842	1,021,192	1,139,883	1,256,884
Debt service as a percentage of noncapital expenditures	6.17%	6.05%	5.75%	5.39%	6.54%

Source: Comprehensive Annual Financial Report - County of Contra Costa, California

2004	2005	2006	2007	2008
349,387	403,373	434,930	484,472	508,058
38,600	31,862	38,992	43,018	29,853
31,701	21,095	18,651	18,300	29,430
11,942	29,968	46,575	57,908	59,829
542,929	587,529	637,179	669,343	689,528
237,274	239,694	267,633	265,453	275,699
127,341	103,704	119,585	144,858	141,007
1,339,174	1,417,225	1,563,545	1,683,352	1,733,404
134,610	131,069	148,201	195,909	176,350
438,940	456,489	494,005	551,970	575,163
215,724	208,160	191,505	190,749	206,942
400,873	395,337	418,521	445,690	473,525
19,548	21,231	22,679	25,863	26,394
82,736	96,895	107,005	137,726	141,684
1,337	1,284	1,439	1,642	1,076
30,953	27,726	33,775	62,335	38,417
1,222	565	1,267	3,314	363
47,691	49,418	53,131	57,535	64,265
		3,726	1,539	
1,973	6,388			
1,375,607	1,394,562	1,475,254	1,674,272	1,704,179
(36,433)	22,663	88,291	9,080	29,225
80,887	79,291	76,985	60,957	73,094
(99,383)	(103,105)	(117,605)	(116,239)	(126,926)
500				
64,290	1,563	129,900	222,685	36,617
				(36,687)
				(526)
21			7,701	1,930
(621)				
		(124,904)	(118,998)	
(7,259)				
1,973	6,388	1,705	3,578	2,375
40,408	(15,863)	(33,919)	59,684	(50,123)
3,975	6,800	54,372	68,764	(20,898)
454,085	457,509	463,370	517,742	586,506
(551)	(939)			
453,534	456,570	463,370	517,742	586,506
457,509	463,370	517,742	586,506	565,608
30,953	27,726	33,775	62,335	38,417
47,691	49,418	53,131	57,535	64,265
78,644	77,144	86,906	119,870	102,682
1,375,607	1,394,562	1,473,987	1,674,272	1,704,179
1,973	6,388			
60,240	44,016	42,688	63,519	106,522
1,313,394	1,344,158	1,431,299	1,610,753	1,597,657
5.99%	5.74%	6.07%	7.44%	6.43%

COUNTY OF CONTRA COSTA

PROGRAM REVENUES BY FUNCTION/ PROGRAM

LAST SEVEN FISCAL YEARS

(Accrual basis of accounting)

(In Thousands)

(Unaudited)

	Fiscal Year Ended June 30						
	2002	2003	2004	2005	2006	2007	2008
Governmental activities - program revenues							
Charges for services							
General government	$ 73,680	71,976	94,121	81,289	92,169	97,371	102,339
Public Protection	100,344	117,342	119,133	122,919	137,069	140,065	135,403
Health and sanitation	51,533	60,587	66,577	61,930	64,221	64,449	65,823
Public assistance	1,648	2,121	1,456	2,895	1,898	2,323	3,068
Education	738	687	984	848	838	866	923
Public ways and facilities	22,557	24,643	25,273	22,737	28,971	22,240	28,133
Recreation and culture	36	19	36	33	108	144	214
Subtotal	250,536	277,375	307,580	292,651	325,274	327,458	335,903
Operating grants and contributions							
General government	19,682	19,378	9,496	10,900	20,264	11,151	13,386
Public protection	119,742	122,134	121,049	123,050	128,668	135,827	130,103
Health and sanitation	80,561	82,260	85,820	88,114	90,928	94,059	111,516
Public assistance	308,577	307,544	314,630	336,542	364,668	371,183	372,251
Education	3,152	3,019	2,768	3,065	3,229	4,055	3,642
Public ways and facilities	13,134	4,307	6,143	22,657	23,742	43,389	42,591
Recreation and culture	52	42	232	19	11	707	82
Subtotal	544,900	538,684	540,138	584,347	631,510	660,371	673,571
Capital grants and contributions							
General government							
Public protection	76	53	50	50	12	12	
Public ways and facilities	12,497	12,279	6,074	5,579	5,714	8,958	21,797
Subtotal	12,573	12,332	6,124	5,629	5,726	8,970	21,797
Total governmental activities program revenues	$ 808,009	828,391	853,842	882,627	962,510	996,799	1,031,271
Business-type activities program revenues							
Charges for services							
County Hospital	$ 178,040	209,779	247,712	271,216	246,452	248,401	271,565
Housing Authority	3,536	3,466	3,667	3,885	5,405	6,164	5,406
Airport	3,002	2,957	3,065	3,090	3,107	3,321	3,433
Sheriff Law Enforcement Training Center	200	587	705	826	982	927	879
HMO Medi-Cal Plan	105,157	113,298	123,488	128,742	67,126	77,261	86,163
HMO Commercial Plan					65,111	62,010	65,246
Major risk medical insurance	931	1,662	1,723	1,723	1,953	1,383	1,364
Subtotal	290,866	331,749	380,360	409,482	390,136	399,467	434,056
Operating grants and contributions							
County Hospital	31,886	20,840	19,281	20,379	21,387	20,995	22,604
Housing Authority	59,459	77,227	92,410	93,176	89,557	86,897	92,233
Airport	130	978	1,069	452	426	1,813	222
Sheriff Law Enforcement Training Center	242	468	392	271	212	391	237
HMO Medi-Cal Plan	2,757	3,834	5,422	6,677			
HMO Commercial Plan					14,181	24,819	30,117
Subtotal	94,474	103,347	118,574	120,955	125,763	134,915	145,413
Capital grants and contributions							
County Hospital	7,194	4,595	4,201	5,052	5,171	7,677	5,941
Housing Authority			1,000	2,889	2,774	1,189	1,298
Subtotal	7,194	4,595	5,201	7,941	7,945	8,866	7,239
Total business-type activities program revenues	392,534	439,691	504,135	538,378	523,844	543,248	586,708
Total primary government program revenues	$ 1,200,543	1,268,082	1,357,977	1,421,005	1,486,354	1,540,047	1,617,979

Data is only available for the last seven fiscal years due to the implementation of GASB 34 in fiscal year ending June 30, 2002.

Source: Comprehensive Annual Financial Report - County of Contra Costa, California

COUNTY OF CONTRA COSTA

GOVERNMENT FUNDS - TAX REVENUES BY SOURCE

LAST TEN FISCAL YEARS

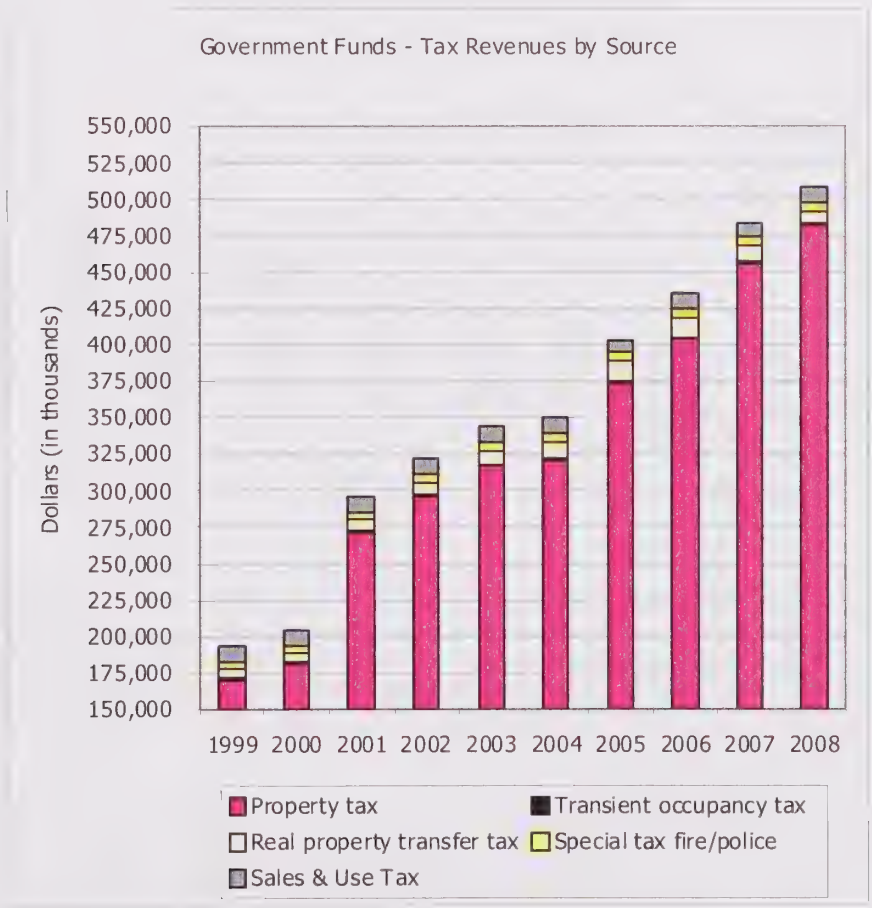
(Modified accrual basis of accounting)

(In Thousands)

(Unaudited)

Fiscal Year Ended	Property Tax	Transient Occupancy Tax	Real Property Transfer Tax	Special Tax Fire/Police	Sales & Use Tax	Total
1999	$ 170,032	1,221	6,511	5,395	9,756	192,915
2000	180,518	1,370	6,554	5,223	10,718	204,383
2001	270,773	1,628	7,294	5,317	11,632	296,644
2002	295,792	1,287	8,273	5,667	11,616	322,635
2003	317,208	1,117	8,434	5,596	10,966	343,321
2004	320,894	1,283	11,161	5,739	10,310	349,387
2005	373,526	1,825	13,826	5,830	8,366	403,373
2006	403,919	1,344	14,043	5,924	9,700	434,930
2007	456,104	1,872	10,427	6,279	9,790	484,472
2008	482,396	1,777	6,664	6,893	10,328	508,058

Source: Comprehensive Annual Financial Report - County of Contra Costa, California



Source: Comprehensive Annual Financial Reports - County of Contra Costa, California

COUNTY OF CONTRA COSTA

ASSESSED VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

(In Thousands)

(Unaudited)

Fiscal Year Ended June 30	Assessed Value [1]						Net Increase	
	Real Property	Personal Property	Total	Exemptions	Net Assessed Value of Taxable Property	Total Direct Tax Rate	Amount	Percentage
1999	$ 72,525,051	2,728,990	75,254,041	1,554,486	73,699,555	1.00 %	3,384,754	4.81 %
2000	77,475,617	2,495,049	79,970,666	1,624,132	78,346,534	1.00	4,646,979	6.31
2001	83,329,641	2,936,004	86,265,645	1,637,667	84,627,978	1.00	6,281,444	8.02
2002	92,091,316	3,350,098	95,441,414	1,951,214	93,490,200	1.00	8,862,222	10.47
2003	99,461,281	3,570,777	103,032,058	2,106,357	100,925,701	1.00	7,435,501	7.95
2004	108,071,968	3,190,706	111,262,674	2,190,126	109,072,548	1.00	8,146,847	8.07
2005	117,931,015	3,167,502	121,098,517	2,322,240	118,776,277	1.00	9,703,729	8.90
2006	130,458,278	3,235,764	133,694,042	2,568,829	131,125,213	1.00	12,348,936	10.40
2007	145,844,300	3,408,666	149,252,966	2,729,501	146,523,465	1.00	15,398,252	11.74
2008	158,953,496	3,592,778	162,546,274	3,101,166	159,445,108	1.00	12,921,643	8.82

[1] Assessed values are those defined under California Revenue and Taxation Code Sections: 601 and 721 et. seq. Article XIIIA, added to California Constitution by Proposition 13 in 1978, fixed the base for valuation of property subject to taxes at the full cash value which appeared on the Assessor's 1975-76 assessment roll. Thereafter, full cash value can be increased: a) to reflect annual inflation up to 2 percent; b) to reflect current market value at time of ownership change; and c) to reflect market value for new construction.

Source: County Assessor - County of Contra Costa, California

COUNTY OF CONTRA COSTA

PROPERTY TAX RATES

DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30	Countywide Rate [1]			County Special Districts	Local [2] Special Districts	Agency Districts	Schools	Cities	Total
	County	Other	Total						
1999	.1388	.8612	1.0000	.0008	.0061	.0262	.0342	.0139	1.0812
2000	.1375	.8625	1.0000	.0006	.0055	.0091	.0334	.0135	1.0621
2001	.1367	.8633	1.0000	.0006	.0047	.0067	.0318	.0131	1.0569
2002	.1356	.8644	1.0000	.0005	.0044	.0074	.0357	.0133	1.0613
2003	.1352	.8648	1.0000	.0005	.0042	.0067	.0360	.0130	1.0604
2004	.1342	.8658	1.0000	.0005	.0029	.0064	.0549	.0134	1.0781
2005	.1341	.8659	1.0000	.0004	(.0002)	.0059	.0572	.0128	1.0761
2006	.1337	.8663	1.0000	.0000	.0017	.0107	.0564	.0127	1.0815
2007	.1329	.8671	1.0000	.0000	.0014	.0137	.0649	.0126	1.0926
2008	.1330	.8670	1.0000	.0000	.0013	.0158	.0684	.0130	1.0985

[1] In June 1978, California voters approved Proposition 13 which restricted the taxing power of local government agencies. Individual agencies do not establish their own property tax rates, except for voter approved indebtedness. Instead, a countywide rate is levied with the proceeds distributed to all agencies according to formulas specified by the state legislature. The countywide rate is 1 percent of assessed value ($1 per $100 of taxable assessed valuation). The rates shown above are allocations of the 1% tax on assessed valuation.

[2] The 2005 rate for Local Special Districts includes a negative rate computed for the Los Medanos Community Healthcare District to affect a refund to the taxpayers of $850,000. The District's taxpayers had paid a special property tax for many years to fund the bond payments for healthcare facilities. Because of positive District finances, the District's Board determined the best use of any remaining bond funds (after covering all of the District's bond-related expenses) was to return the balance to taxpayers.

Source: Comprehensive Annual Financial Report - County of Contra Costa, California

COUNTY OF CONTRA COSTA

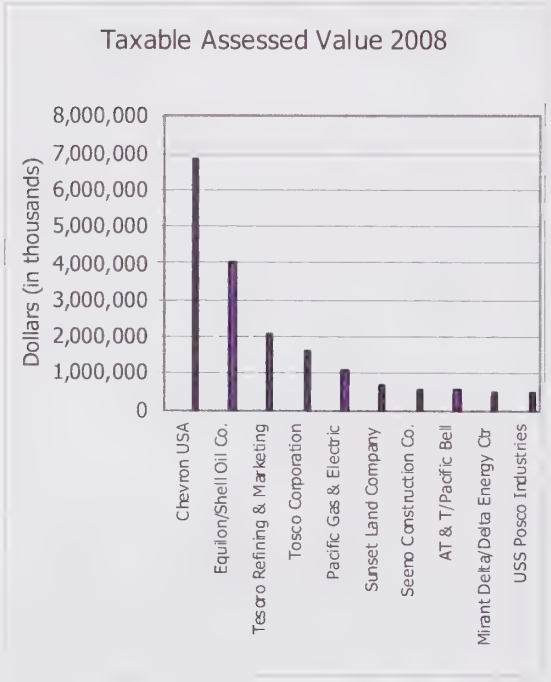
PRINCIPAL PROPERTY TAX PAYERS[1]

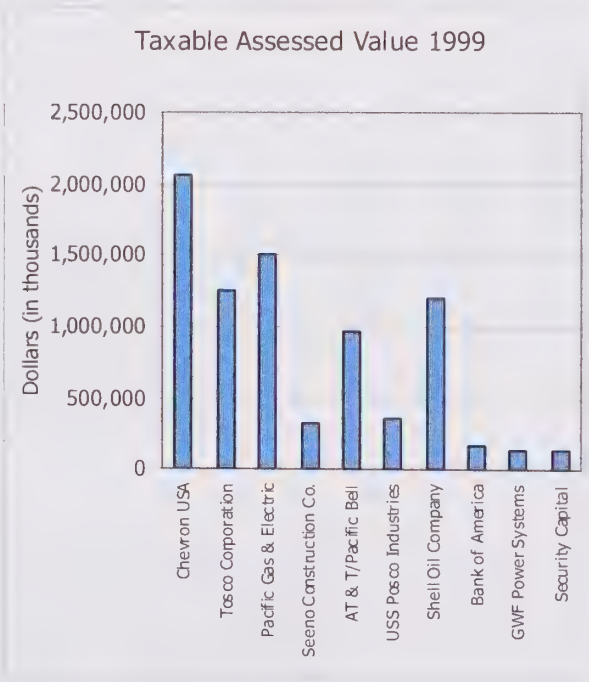
CURRENT YEAR AND NINE YEARS AGO

(In Thousands)

(Unaudited)

	Fiscal Year Ended June 30, 2008			Fiscal Year Ended June 30, 1999		
Taxpayers	Taxable Assessed Value Secured and Unitary	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value Secured and Unitary	Rank	Percentage of Taxable Assessed Value
Chevron USA	$ 6,843,072	1	4.49 %	$ 2,058,434	1	2.79 %
Equilon/Shell Oil Co.	4,002,788	2	2.63			
Tesoro Refining & Marketing	2,092,737	3	1.37			
Tosco Corporation	1,648,867	4	1.08	1,256,316	3	1.70
Pacific Gas & Electric	1,113,308	5	0.73	1,511,265	2	2.05
Sunset Land Company	727,775	6	0.48			
Seeno Construction Co.	558,770	7	0.37	327,690	7	0.44
AT & T/Pacific Bell	538,855	8	0.35	966,777	5	1.31
Mirant Delta/Delta Energy Ctr	523,866	9	0.34			
USS Posco Industries	488,414	10	0.32	349,043	6	0.47
Shell Oil Company				1,193,404	4	1.62
Bank of America				171,228	8	0.23
GWF Power Systems				137,940	10	0.19
Security Capital				138,969	9	0.19
Total	$ 18,538,452		12.16	$ 8,111,066		11.00





[1]Beginning in fiscal year 2003-2004 a refined methodology is used to determine the principal taxpayers. The assessed value of the property of all of a listed taxpayer's component entities are included. Also, ranking is based on assessed valuation which may be different from taxes paid due to special purpose levies paid by some taxpayers.

Source: Treasurer-Tax Collector - County of Contra Costa, California

COUNTY OF CONTRA COSTA

PROPERTY TAX LEVIES AND COLLECTIONS[1]

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Current Year Tax Levy Delinquent at Year End		Total Delinquent Property Taxes at June 30 (Including Prior Years)
		Amount	Percentage of Levy	
1999	$ 939,437,116	$ 15,375,159	1.64 %	$ 32,858,406
2000	981,579,866	15,904,158	1.62	31,563,440
2001	1,062,831,354	16,728,410	1.57	31,050,012
2002	1,187,173,140	20,551,776	1.73	33,941,546
2003	1,293,561,117	25,574,249	1.98	38,614,691
2004	1,402,895,299	27,325,421	1.95	40,071,424
2005	1,584,132,373	26,598,823	1.68	37,821,908
2006	1,720,977,608	35,699,270	2.07	47,003,688
2007	1,967,771,060	80,851,968	4.11	97,323,762
2008	2,077,282,718	106,031,582	5.10	143,490,997

[1]Total property tax levy for all taxing agencies in the County.

Note: General taxes collected are the same as the amounts levied, because the county follows California's alternate method of apportionment (the Teeter Plan). Under the Teeter Plan, all amounts levied are apportioned to the county and other taxing agencies regardless of whether they are collected in the current year or not. A Tax Losses Reserve Agency fund insures losses resulting when a property is sold for taxes, and the proceeds from sale are insufficient to pay the outstanding amounts due.

Source: Auditor-Controller's Office - County of Contra Costa, California

COUNTY OF CONTRA COSTA

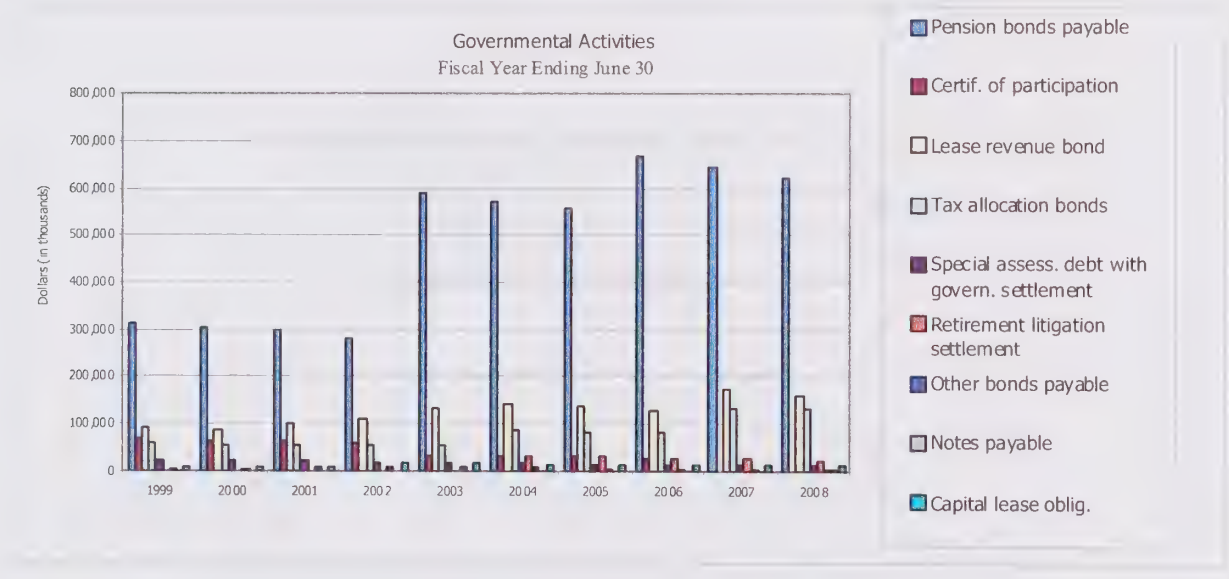
OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

(In Thousands)

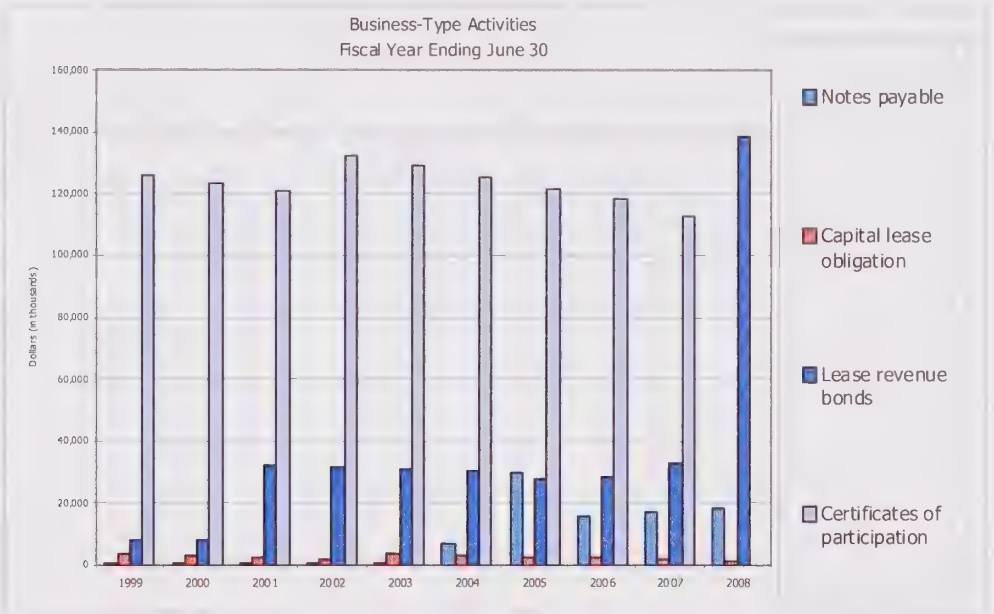
(Unaudited)

Fiscal Year Ended June 30	Governmental Activities: Pension Bonds Payable	Certif. of Partici-pation	Lease Revenue Bonds	Tax Allocation Bonds	Special Assess. Debt with Govern. Commitment	Retirement Litigation Settlement	Other Bonds Payable	Notes Payable	Capital Lease Oblig.	Total
1999	$ 313,190	66,055	90,015	56,710	23,443		5,836	486	8,333	564,068
2000	302,275	63,820	87,615	56,150	21,652		3,044	6	9,927	544,489
2001	297,340	61,465	102,245	55,360	20,276		8,505	6	8,988	554,185
2002	281,425	58,665	111,420	54,525	18,589		8,055		16,238	548,917
2003	587,220	31,700	130,960	53,580	17,222		7,140		15,330	843,152
2004	569,220	30,555	142,715	84,295	15,654	30,352	6,130	516	12,235	891,672
2005	554,735	29,365	136,903	83,045	14,006	29,651	5,115	429	13,784	867,033
2006	666,905	27,008	127,766	81,935	13,213	25,527	4,585	339	12,646	959,924
2007	643,990		174,633	133,105	12,389	24,809	4,015	788	13,444	1,007,173
2008	619,135		162,386	132,290	11,740	24,034	3,650	1,482	12,478	967,195



Source: Comprehensive Annual Financial Reports - County of Contra Costa, California

Fiscal Year Ended June 30	Business-Type Activities: Notes Payable	Capital Lease Obligation	Lease Revenue Bonds	Certificates of Participation	Total	Government Total	Ratio Net Debt to Assessed Value	Percentage of Personal Income [1]	Net Debt Per Capita
1999	$ 965	3,520	8,090	125,862	138,437	702,505	0.95 %	1.89 %	$ 767
2000	914	3,169	7,950	123,443	135,476	679,965	0.87	1.60	731
2001	859	2,716	32,077	120,893	156,545	710,730	0.84	1.63	731
2002	984	2,146	31,760	132,550	167,440	716,357	0.77	1.65	730
2003	562	3,555	31,050	128,980	164,147	1,007,299	1.00	2.28	1,012
2004	7,268	3,017	30,320	125,250	165,855	1,057,527	0.97	2.22	1,050
2005	29,766	2,455	27,997	121,325	181,543	1,048,576	0.88	2.08	1,027
2006	15,651	2,281	28,689	118,307	164,928	1,124,852	0.86	2.11	1,091
2007	17,255	1,899	33,037	112,845	165,036	1,172,209	0.75	N/A	1,052
2008	18,563	1,346	138,319		158,228	1,125,423	0.71	N/A	1,070



Source: Comprehensive Annual Financial Reports - County of Contra Costa, California

[1] Ratios are calculated using personal income and population data shown in the schedule of Demographic and Economic statistics.

N/A Not Available

COUNTY OF CONTRA COSTA

DIRECT AND OVERLAPPING BOND DEBT

(In Thousands)

(Unaudited)

	Debt Applicable July 1, 2008 [1]	
	Percentage	Amount
2007 - 2008 Assessed Value of Taxable Property (includes unitary utility valuation)		$ 159,300,161
Less: Redevelopment Increments		18,770,822
Adjusted Assessed Valuation		$ 140,529,339
DIRECT GENERAL FUND OBLIGATION DEBT:		
Contra Costa County General Fund Obligations	100	$ 300,705
Contra Costa County Pension Obligations	100	492,985
TOTAL DIRECT DEBT		793,690
OVERLAPPING GENERAL FUND OBLIGATIONS DEBT		
City of Richmond Pension Obligations	100	133,280
Contra Costa County Fire Protection District Pension Obligation	100	126,150
City of Richmond General Fund Obligations	100	103,805
Other Cities' General Fund Obligations	100	77,880
City of Pittsburg Pension Obligations	100	39,441
City of Concord General Fund and Judgment Obligations	100	32,630
City of Antioch General Fund Obligations	Various	29,420
West Contra Costa Unified School District General Fund Obligation	46.959	24,755
Other School Districts' General Fund Obligations	100.000	24,029
Antioch Unified School District Certificates of Participation	100	23,485
City of San Ramon General Fund Obligations	100	17,760
San Ramon Valley Fire Protection District Certificates of Participation	100	16,425
Other Special Districts' General Fund Obligations	20.830 & 100	3,813
Alameda-Contra Costa Transit District Certificates of Participation	11.728	1,583
Contra Costa County Office of Education Certificates of Participation	100	470
Total Overlapping General Fund Obligations Debt		654,926
OVERLAPPING TAX AND ASSESSMENT DEBT:		
West Contra Costa Unified School District	100	527,016
1915 Act Assessment Bonds (Estimate)	100	456,999
Community Facilities Districts	100	305,512
San Ramon Valley Unified School District	100	287,649
Mt. Diablo Unified School District	100	214,785
Contra Costa Community College District	100	184,890
Acalanes and Liberty Union High School Districts	100	172,054
Bay Area Rapid Transit District	32.590	152,300
Pittsburg Unified School District	100	78,260
East Bay Regional Park District	47.346	70,756
Brentwood Union School District	100	60,489
Other School Districts	Various	52,270
Walnut Creek School District	100	32,525
Martinez Unified School District	100	27,233
Oakley Union School District	100	24,840
West Contra Costa Healthcare District Parcel Tax Obligation	100	23,905
Lafayette School District	100	23,570
Cities and City Special Tax Districts	100	18,210
East Bay Municipal Water District and Special District No. 1	6.378	2,051
Total Overlapping Tax and Assessment Debt		2,715,314
TOTAL DIRECT AND OVERLAPPING DEBT		$ 4,163,930

(continued)

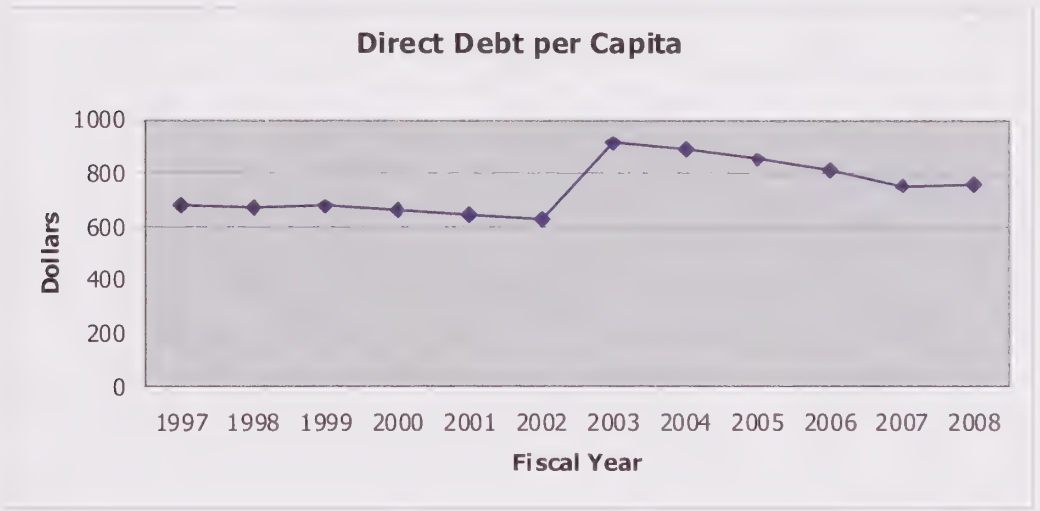
COUNTY OF CONTRA COSTA

DIRECT AND OVERLAPPING BOND DEBT

(In Thousands)

(Unaudited)

	Ratio to Adjusted Assessed Valuation Value (%)		Per Capita
Population [2]			1,051,674
Direct Debt	0.56	$	755
Total Direct and Overlapping Debt	2.96		3,959



Source: [1] California Municipal Statistics, Inc.

a. Percentage of overlapping agency's assessed valuation located within boundaries of the county.

b. Excludes tax and revenue anticipation notes, revenue, mortgage, revenue and tax allocation bonds and non-bonded capital lease obligations.

[2] Not in thousands

(concluded)

COUNTY OF CONTRA COSTA

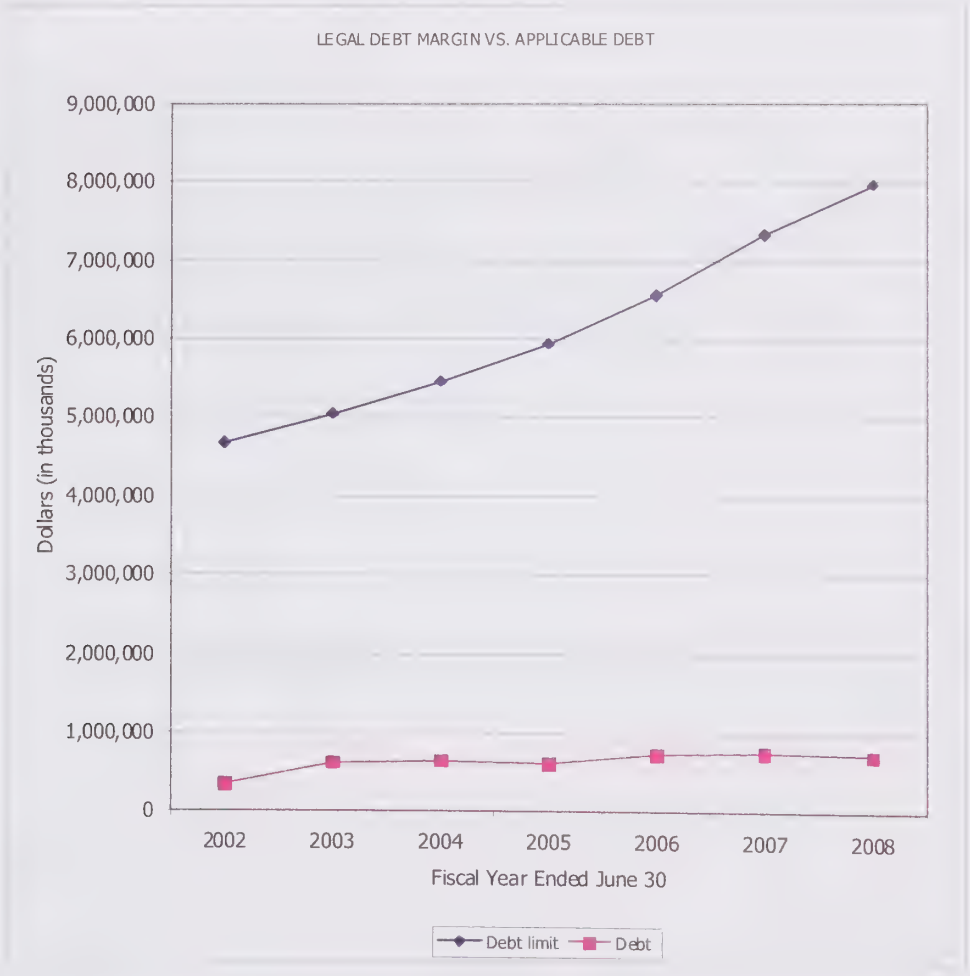
LEGAL DEBT MARGIN INFORMATION

LAST SEVEN FISCAL YEARS

(In Thousands)

(Unaudited)

		Fiscal Year Ended June 30						
		2002	2003	2004	2005	2006	2007	2008
Assessed value of taxable property	$	93,490,200	100,925,701	109,072,548	118,776,277	131,125,213	146,523,465	159,445,108
Debt limit - 5% of assessed value [1]	(A) $	4,674,510	5,046,285	5,453,627	5,938,814	6,556,261	7,326,173	7,972,255
Amount of debt applicable to debt limit [2]								
Total bonded debt		344,005	641,810	654,030	637,780	748,840	777,095	751,425
Less: Assets of debt service funds		7,875	26,632	16,708	28,981	21,157	31,034	32,097
Total net general obligation debt	(B)	336,130	615,178	637,322	608,799	727,683	746,061	719,328
Legal debt margin	(A - B) $	4,338,380	4,431,107	4,816,305	5,330,015	5,828,578	6,580,112	7,252,927
Total net general obligation debt applicable to the limit as a percentage of debt limit		7.19%	12.19%	11.69%	10.25%	11.10%	10.18%	9.02%



[1] California Government Code Section 29909 limits General Obligation Bond indebtedness to five percent of the total assessed valuation of all taxable real and personal property within the county.

[2] Does not include Public Financing Authority nor Assessment District debt.

Source: Comprehensive Annual Financial Report - County of Contra Costa, California

COUNTY OF CONTRA COSTA

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN YEARS

(Unaudited)

Fiscal Year Ended June 30	Population[1]	Personal[2] Income	Per Capita[2] Personal Income	Median[3] Age	Education[4] Level	School[5] Enrollment	Average[6] Unemployment Rate
1999	916,403	37,126,251	39,623				3.1 %
2000	930,025	42,417,859	44,491 #	36.4	36.5	272,905	3.5
2001	972,103	43,472,330	44,696 #		37.4	273,467	4.0
2002	981,555	43,304,580	44,062 #		35.9	278,456	5.7
2003	994,908	44,177,166 #	44,571 #		38.7	269,081	6.1
2004	1,007,606 #	47,550,512 #	47,672 #	37.1	36.3	280,523	5.4
2005	1,020,898	50,471,711 #	50,215 #	37.2	37.8 #	284,773	5.1
2006	1,030,732 #	53,224,116 #	52,730 #	37.5	37.2	277,459	4.5
2007	1,042,341	N/A	N/A	37.9	37.1	272,443	4.7
2008	1,051,674	N/A	N/A	N/A	N/A	N/A	6.3

\# Revised

* Estimated

N/A Not Available

[1] California Department of Finance Estimate for January 1 of each year.

[2] U.S. Department of Commerce - Bureau of Economic Analysis (thousands)

[3] U.S. Census Bureau

[4] Percent of population with Bachelor or Graduate Degree - U.S. Census Bureau

[5] Population three years and over enrolled in school - U.S. Census Bureau

[6] State of California - Employment Development Department - June Data

COUNTY OF CONTRA COSTA

PRINCIPAL EMPLOYERS [1]

CURRENT YEAR AND NINE YEARS AGO

(Unaudited)

	2008 [2]			1999 [4]		
Employer	Estimated Employees	Rank	Percentage of Total County Employment	Estimated Employees	Rank	Percentage of Total County Employment
Chevron Corp.	4,700	1	0.94 %	3,500	3	0.74 %
Kaiser Foundation Hospital	2,300	2	0.46	2,300	4	0.49
John Muir Medical Center	1,900	3	0.38	1,900	5	0.40
Bio-Rad Laboratories	1,700	4	0.34			
John Muir/Mt. Diablo Medical Center	1,500	5	0.30	1,500	6	0.32
Doctors Medical Center	1,000	6-7	0.20	1,000	7	0.21
Liberty Mutual Insurance Co.	1,000	6-7	0.20			
USS Posco Industries	975	8	0.19	975	8	0.21
Kaiser Permanente	900	9	0.18	5,000	1-2	1.06
Sutter Delta Medical Center	850	10	0.17			
Bank of America - Systems Engineering				5,000	1-2	1.06
Contra Costa Newspapers, Inc.				900	9	0.19
Bank of the West				700	10	0.15
All Others	484,375		96.64	448,925		95.17
Total	501,200 [3]		100.00 %	471,700 [5]		100.00 %

Contra Costa County Employment by Industry [6]
2008 Annual Average

Trade, Transportation, & Utilities	18.52 %
Government	18.42
Professional & Business Services	14.93
Educational & Health Services	12.08
Financial Activities	5.57
Leisure & Hospitality	8.54
Natural Resources & Mining	0.13
Manufacturing	8.86
Other Services	3.50
Information	2.76
Agriculture	0.17
Construction	6.52

[1] Government Employers Excluded

[2] Rich's Everyday Sales Prospecting Directory (2008) - Contra Costa County

[3] State of California Employment Development Department, 2007 annual, not adjusted

[4] Rich's Everyday Sales Prospecting Directory (2000) - Contra Costa County

[5] State of California Employment Development Department, 1999 annual, not adjusted

[6] State of California Employment Development Department, June 2008, not adjusted

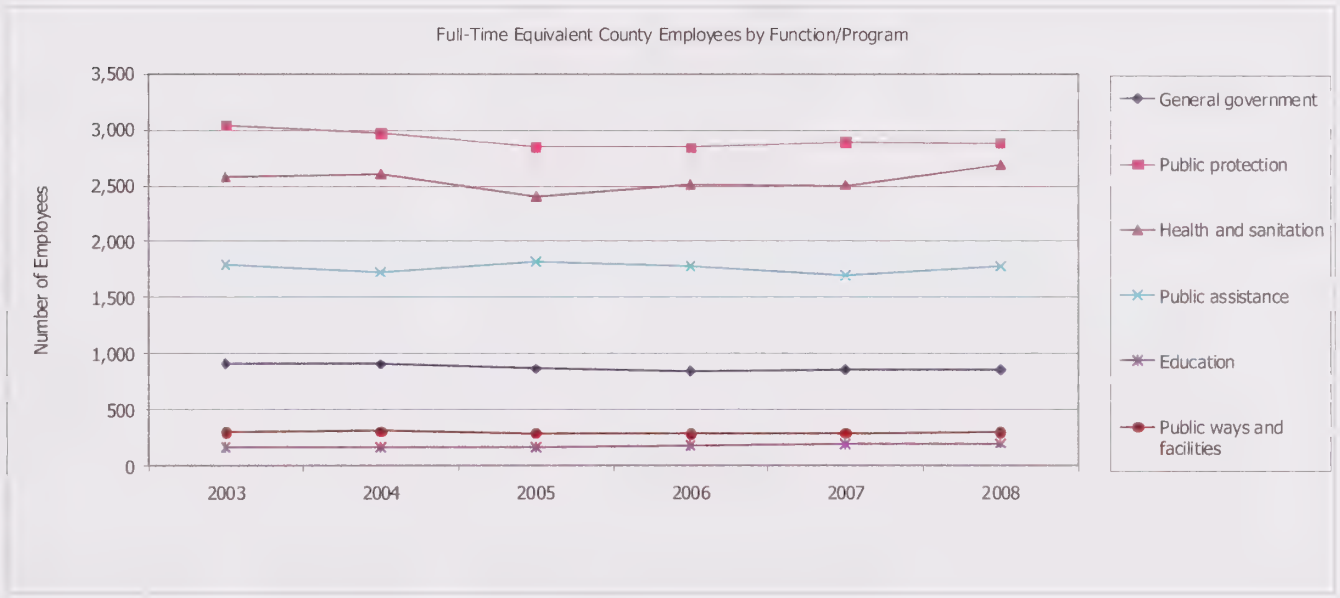
COUNTY OF CONTRA COSTA

FULL-TIME EQUIVALENT COUNTY EMPLOYEES BY FUNCTION/PROGRAM

LAST SIX FISCAL YEARS

(Unaudited)

Function	Full-time Equivalent Employees as of June 30					
	2003	2004	2005	2006	2007	2008
General Government	908	904	861	838	852	854
Public Protection	3,041	2,969	2,847	2,841	2,883	2,880
Health and Sanitation	2,579	2,600	2,396	2,507	2,499	2,689
Public Assistance	1,788	1,723	1,819	1,774	1,697	1,775
Education	167	167	167	176	187	197
Public Ways and Facilities	302	307	291	287	291	302
Total	8,785	8,670	8,381	8,423	8,409	8,697



Source: County Administrator's Office, Contra Costa County, California

COUNTY OF CONTRA COSTA
OPERATING INDICATORS BY FUNCTION
LAST SEVEN FISCAL YEARS
FOR THE FISCAL YEAR ENDED JUNE 30
(Unaudited)

Function	2002	2003	2004
General Government			
Assessor			
Number of Assessment Roll Units - Secured	323,710	328,537	332,630
Number of Assessment Roll Units - Unsecured	49,523	50,140	50,242
Auditor-Controller			
Tax Rate Areas Administered	1,136	1,141	1,171
County Counsel			
Tort Claims File Against County Transferred to County Counsel	246	254	280
Juvenile Law Contests Set for Each Child	2,971	2,531	2,259
Clerk-Recorder			
New Voter Registration		23,021	41,377
Updates to Voter Registration			
Cancelled Voter Registration		6,158	35,596
Total Voter Registration	476,935	484,640	444,167
Recorded Documents	419,868	583,521	722,437
General Services			
Fleet Operations			
Fleet Size			
On Road Fleet			
Vehicles Maintained			
Vehicle Availability Rate			
Vehicle Repair Orders			
Billable Hours			
CNG Usage (Gal)			
Unleaded Gasoline Usage (Gal)			
Diesel Usage (Gal)			
Total Fuel Usage (Gal)			
Miles Traveled			
CNG Vehicles			
E-85 Vehicles			
Hybrid Vehicles			
Print and Mail			
Copies & Impressions Produced			32,161,483
Amount of Mail Processed			4,461,591
Real Estate Services			
Acquisition Leases Negotiated			
Revenue Leases Negotiated			
Leases Renewed or Amended			
Leases Terminated			
Special Projects, Reports, Studies			
Leased Buildings Managed			
Leased Buildings Square Footage			
County Owned Buildings			
County Owned Buildings Square Footage			
Purchasing/Materials Management			
Purchase Orders Processed			
Formal On-Line Solicitations (Bids)			
Estimated Savings on Bids			
Building Expenses			
Electricity Expense			6,497,771
Natural Gas Expense			1,395,284
Water Expense			794,117
Sewer Expense			453,533
Garbage Expense			860,239
Facilities Maintenance			
Work Requests Received			75
Work Requests Completed			3
Non-Emergency Requests Received			85
Emergency Requests Received			21

2005	2006	2007	2008
338,032	345,212	353,469	355,637
49,238	49,488	49,909	48,963
1,024	1,024	1,040	1,057
253	274	255	255
2,890	3,063	3,449	2,596
82,571	22,172	32,304	63,003
		49,838	113,810
28,110	14,450	30,063	21,328
504,505	492,656	464,042	493,315
574,294	581,595	447,969	332,167
	1,473	1,464	1,526
	1,175	1,285	1,330
	1,599	1,515	1,540
	96.05%	95.89%	95.47%
	5,824	5,368	5,373
	16,825	16,660	17,867
	15,877	17,145	22,254
	826,739	820,733	824,467
	101,892	89,990	105,605
	944,508	927,868	952,326
	10,900,129	10,436,107	11,686,360
	35	36	38
	22	29	44
	63	72	83
28,720,591	32,161,483	29,669,219	29,170,473
4,586,664	4,411,824	4,347,545	3,885,354
		8	10
		2	3
		26	12
		16	7
		23	28
		209	205
		1,914,476	1,830,393
		257	261
		2,686,424	2,753,200
			4,560
			224
			1,629,365
7,140,149	6,945,811	7,016,109	7,014,696
1,360,646	1,711,079	1,783,934	1,808,847
872,751	901,781	870,288	841,329
451,094	472,280	508,979	542,001
785,324	751,670	793,068	773,514
6,467	10,457	11,559	14,730
5,675	9,627	11,112	14,054
3,700	5,610	6,497	10,041
3,498	5,963	6,006	6,149

(Continued)

COUNTY OF CONTRA COSTA

OPERATING INDICATORS BY FUNCTION

LAST SEVEN FISCAL YEARS

FOR THE FISCAL YEAR ENDED JUNE 30

(Unaudited)

Function	2002	2003	2004
General Government (Continued)			
Human Resources			
Employment Applications Processed	14,100	21,901	14,860
Examinations Conducted	206	196	150
Personnel Transactions Processed			
Appointments			
Information Technology			
Enterprise Server Transactions Monthly			
Enterprise Server Availability			
Viruses Stopped			
Spam Emails Stopped			
Tax Collector-Treasurer			
Secured Tax Bills	318,922	330,214	334,983
Unsecured Tax Bills	50,651	51,794	53,558
Supplemental Tax Bills	41,697	46,602	46,425
Business Licenses Issued	8,543	6,889	7,160
Public Protection			
Agriculture			
Number of Shipments Inspected/ Profiled	36,607	37,371	45,153
Pest Control Inspections	1,003	905	876
Number of Taxis Inspected	460	294	339
Number of Petroleum Dispensing Devices Inspected	3,465	3,807	5,782
Animal Services			
Licenses Sold	44,064	44,235	44,062
Animals Handled	26,631	24,752	24,604
Animals Adopted	3,779	4,267	4,110
Animals Returned to Owner	2,812	2,871	2,595
Building Inspection			
Plans Reviewed	1,363	1,987	1,920
Permits Issued	10,707	12,096	12,736
Inspections Performed	54,461	53,612	63,730
Code Enforcement Cases Opened	975	1,117	1,323
Child Support Services			
Number of Cases			
Community Development			
Number of Land Use Applications Received	908	986	1,114
Number of Land Use Entitlements Issued			
Solid Waste Diverted from Landfills			
Number of Affordable Housing Units Provided Financial Assistance			
Fire Protection Services			
Contra Costa Fire Protection District			
Emergency Calls	37,655	40,420	40,726
Fire Calls	2,007	2,301	2,113
Medical Calls	19,533	26,045	28,043
Inspections Performed	2,536	3,187	2,438
East County Fire Protection District (Calendar Year)			
Emergency Calls	686	4,326	4,469
Fire Calls	58	470	445
Medical Calls	524	3,360	3,373
Inspections Performed	90	150	350

2005	2006	2007	2008
15,982	15,817	26,334	24,048
166	221	223	248
		12,185	31,700
943	1,103	1,329	841
11,000,000	9,000,000	3,026,138	2,246,295
100.00%	99.00%	99.00%	99.98%
920,000	3,100,000	47,879	3,000
3,000,000	11,000,000	73,000,000	180,000,000
328,061	338,259	345,429	353,607
50,062	48,739	54,139	52,401
42,679	43,736	56,995	22,932
6,255	6,157	6,387	6,231
60,912	78,263	88,094	74,797
1,019	1,047	741	651
271	229	224	198
4,917	2,951	4,819	6,159
44,822	45,977	41,054	37,753
24,056	25,043	23,987	18,706
4,218	5,584	5,606	6,746
2,482	2,363	2,364	2,366
2,074	2,152	2,035	1,986
13,194	13,629	13,492	11,415
70,331	81,363	95,189	78,024
1,699	2,260	1,537	1,431
	38,482	37,657	36,416
1,182	1,165	1,080	917
		521	486
		50%	54%
		767	432
41,100	42,255	45,188	45,504
1,981	1,914	2,175	1,940
28,815	29,864	30,401	30,244
1,888	1,198	1,970	2,180
4,910	5,016	5,387	
421	424	453	
3,606	3,640	3,875	
650	800	800	

(Continued)

COUNTY OF CONTRA COSTA

OPERATING INDICATORS BY FUNCTION

LAST SEVEN FISCAL YEARS

FOR THE FISCAL YEAR ENDED JUNE 30

(Unaudited)

Function	2002	2003	2004
Public Protection (Continued)			
District Attorney (Calendar Year)			
Felony Cases Filed	4,356	3,701	4,264
Misdemeanor Cases Filed	13,280	13,339	12,307
Probation			
Court Reports	7,343	6,783	8,873
Average Supervision Caseload (Including Home Sup.)	5,473	5,450	4,671
Juvenile Hall Detention Care Days	55,153	52,016	46,586
Youth Rehabilitation Care Days	33,214	32,763	32,216
Juvenile Community Service Days Worked	5,311	4,746	4,110
Public Administrator			
Cases Opened			87
Cases Closed			75
Public Defender (Calendar Year)			
Cases Handled			
Felony	4,364	3,977	3,765
Misdemeanor	8,873	7,263	6,948
Juvenile			
Criminal	2,473	2,381	2,319
Probate Guardian	511	566	568
Superior Court	2,081	2,457	2,013
Other/Order to Show Cause (OSC)	537	367	304
Sheriff			
Calls for Service			
Priority 1 - Respond immediately	113,845	111,385	107,297
Priority 2 - Respond as soon as possible	57,564	61,021	53,375
Priority 3 - Respond when available	148,816	151,347	147,141
Citations Issued	20,303	21,167	19,864
Crime Reports Processed	31,966	25,838	31,400
Warrants Served	16,359	16,423	15,070
Custody Services			
Bookings - Detention Facility	25,622	25,612	24,683
Bookings - Custody Alternative	3,691	3,873	3,909
Average Daily Population - All Facilities		1,868	1,582
Health and Sanitation			
Health Services			
Mental Health			
Inpatient Average Daily Census	263	294	310
Outpatient Visits	347,760	394,296	418,644
Conservatorship Clients	7,192	7,451	8,119
Alcohol & Other Drugs			
Residential Days	80,057	83,021	86,486
Outpatient Visits	74,139	76,361	77,317
Detention - Average Monthly Inmates	1,756	1,629	1,593
Public Health			
AIDS/HIV Tests	3,602	3,624	3,160
Immunizations Given	45,147	48,911	43,505
Senior Nutrition Meals Served	442,604	440,271	438,587
Environmental Health			
Hazardous Material Incident Responses	3,156	2,616	3,336
Environmental Health Inspections	34,776	28,524	32,436
California Child Serves Cases	2,325	2,473	2,565
Homeless Clients in Shelters	477	513	557

2005	2006	2007	2008
4,564	5,423	5,081	
10,843	10,726	11,108	
8,873	9,391	10,320	9,417
4,555	4,602	6,902	7,555
36,428	56,862	51,684	62,179
32,384	33,578	35,171	35,437
4,365	3,924	3,405	3,275
93	90	156	162
93	103	136	141
4,152	3,891	3,458	
6,932	8,264	8,196	
3,304	3,510	2,953	
629	498	486	
1,888	2,196	2,336	
413	562	979	
119,675	121,261	123,871	115,936
57,134	57,634	55,804	52,248
155,548	154,915	156,484	163,112
24,795	21,657	20,026	15,455
31,726	30,607	34,024	32,092
14,175	19,799	7,730	7,514
25,072	25,144	24,955	23,556
4,176	3,874	3,333	4,259
1,673	1,715	1,639	1,552
340	333	323	303
367,476	338,072	300,883	317,256
8,676	8,876	9,176	9,119
86,854	80,122	77,844	72,024
63,183	58,813	64,785	64,767
1,632	1,659	1,631	1,560
2,166	2,784	2,765	2,738
31,313	27,180	19,926	21,108
458,333	463,668	452,722	488,119
2,808	3,356	3,248	3,713
26,160	36,091	38,864	53,787
2,739	2,864	3,054	3,195
635	707	721	736

(Continued)

COUNTY OF CONTRA COSTA

OPERATING INDICATORS BY FUNCTION

LAST SEVEN FISCAL YEARS

FOR THE FISCAL YEAR ENDED JUNE 30

(Unaudited)

Function	2002	2003	2004
Public Assistance			
Community Services			
Number of Children Served (Head Start)	3,272	3,326	3,600
Number of Dwellings Weatherized		603	501
Employment and Human Services			
Number of Households Receiving Food Stamps	99,900	103,683	117,657
Welfare Warrants Issued			
Welfare Direct Deposit Items			
Number of Adult Protective Service Reports	1,396	1,727	1,849
Average Monthly Number of Medi-Cal Beneficiaries	89,946	95,673	101,786
Number of Children Served by Child Welfare	4,493	4,344	4,341
Number of Families Receiving Childrens Services	2,351	2,393	2,411
Average Number of Children in Foster Care	2,323	2,206	2,055
Veteran Services			
Claims/Appeals Filed for the Benefit of Veterans	1,321	1,712	1,803
Interviews	3,663	4,525	5,010
Education			
Library			
Library Visits	2,744,678	3,127,801	3,223,863
Items Circulated	4,036,417	4,253,135	4,522,958
Annual Hours Open	42,712	51,086	51,822
Cooperative Education			
4-H Club Membership		900	611
Youth Federal Nutrition Program			
Public Ways and Facilities			
Public Works			
Pavement Condition Index Rating	87	87	87
Flood Control Development Reviews	510	467	502
Land Development Reviews	68	102	81
Service Requests			
Enterprise Activities			
Hospital			
Hospital & Clinics			
Inpatient Days	48,095	48,681	49,465
Outpatient Visits	339,398	376,464	400,332
Health Maintenance Plans			
CCHP M-Cal Plan Enrollees	40,366	41,225	42,238
CCHP Commercial Plan Enrollees	16,805	18,460	20,147
CCHP Major Risk Enrollees	150	229	225
Sheriff Training Center			
Law Enforcement Training Academy- LETC			
Number of Students- Academy		139	87
Number of Students- In Service		2,201	1,976
Hours of Instruction- Academy		3,350	1,821
Hours of Instruction- In Service		3,454	2,421
Airport (Calendar Year)			
Aircraft Operations (Take off / Landing)			
Buchanan	143,649	138,572	119,106
Byron (Estimated)			

Source: Contra Costa County Departments

2005	2006	2007	2008
3,427	3,480	3,120	3,350
310	439	434	303
138,537	151,291	165,325	182,189
94,098	100,670	13,046	
9,041	7,544		
1,508	1,563	1,724	1,964
106,760	111,575	111,780	114,105
4,033	3,714	3,680	3,486
2,261	2,123	2,100	2,017
1,523	1,834	1,717	1,141
1,698	1,781	2,039	2,193
4,964	5,170	5,143	5,500
3,284,934	3,422,469	3,426,151	3,878,298
4,736,101	4,929,783	5,428,511	6,132,207
51,555	53,820	55,484	56,940
611	847	836	906
		3,859	3,214
87	86	85	83
549	559	552	447
75	89	79	47
		2,266	1,897
48,125	49,936	47,026	45,126
434,467	421,479	418,236	433,541
43,656	42,519	44,744	48,393
20,188	20,954	21,749	31,218
212	134	85	68
80	72	102	120
2,587	2,821	2,905	2,690
3,053	2,016	2,603	2,776
2,505	2,284	2,575	2,228
128,375	124,102	93,881	
	60,000	50,000	

(Concluded)

COUNTY OF CONTRA COSTA

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST SEVEN FISCAL YEARS

(Unaudited)

Function	Fiscal Year Ended June 30						
	2002	2003	2004	2005	2006	2007	2008
General Government							
Clerk-Recorder							
DFM Mark-A-Vote System							
Data General Terminal	1	1	1	1			
Card Readers	14	14	14	14			
BCWin Terminal	1	1	1	1			
Election Systems and Software							
M100 Precinct Tally Machines					768	768	768
AutoMark- ADA Assist Ballot Marking Devices					768	768	768
M650 High Volume Ballot Scanners					4	4	5
Public Protection							
Animal Services							
Animal Shelters	2	2	2	2	2	2	2
Fire Protection Services							
Contra Costa Fire Protection District							
Fire Stations	30	30	30	30	30	30	30
Fire Engines/Trucks/Other Apparatus	87	88	88	90	92	91	90
East County Fire Protection District							
Fire Stations					8	8	8
Fire Engines/Trucks/Other Apparatus					26	25	25
Probation							
Juvenile Hall - Certified Beds					290	290	290
Orin Allen Youth Rehabilitation Facility - Certified Beds					100	100	100
Sheriff							
Square Miles Patrolled	521	521	521	521	521	521	521
Detention Facilities	3	3	3	3	3	3	3
Public Ways and Facilities							
Public Works							
Miles of Road Maintained	661	658	659	661	664	664	664
Miles of Creek/ Channels Maintained	75	75	75	75	75	75	75
Enterprise Activities							
Hospital							
Hospital	1	1	1	1	1	1	1
Sheriff Training Center							
Law Enforcement Training Academy- LETC	1	1	1	1	1	1	1
Airport							
Buchanan	1	1	1	1	1	1	1
Byron	1	1	1	1	1	1	1
Education							
Community Libraries	23	23	23	23	24	25	25

Source: Contra Costa County Departments

COUNTY OF CONTRA COSTA

MISCELLANEOUS STATISTICS

(Unaudited)

GEOGRAPHICAL LOCATION:	Contra Costa County is located near San Francisco in the Bay Area. It is bordered by San Francisco Bay and San Pablo Bay on the west, by Suisun Bay and the Sacramento and San Joaquin Rivers on the north, by the delta country of San Joaquin County on the east and by Alameda County on the south.
ALTITUDE:	Sea level to 3,849 feet
AREA OF COUNTY:	732.6 square miles of land and 73.3 square miles of water.
COUNTY SEAT:	Martinez, California
FORM OF GOVERNMENT:	General Law County, governed by a five member Board of Supervisors. Contra Costa County is one of the original 27 counties established when California became a state in 1850.

Source: County Administrator's Office

	February 5, 2008 Presidential Primary
REGISTERED VOTERS	475,821
NUMBER VOTING	318,224
PERCENT VOTING	66.88%

Source: County Clerk-Recorder Department, Elections Division